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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

EDWIN M. LEE, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

May 11, 2011 – 1:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

GOVERNMENT
DOCUMENTS DEPT

MAY - 9 2011

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Hon. Jane Kim *(Ex-Officio)*

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. General Public Comment (Discussion Item) This item is to allow members of the public to address the Treasure Island Development Authority Board ("Authority Board") on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held during each item on the agenda.***
Estimated Length of Item: 10 minutes

3. Reports

a. Report by Director of Island Operations (Discussion Item)
This item is to allow the Director of Island Operations to report on staff activities, on-Island events and to make announcements.
Estimated Length of Item: 5 minutes

b. Report by Office of Economic & Workforce Development (Discussion Item)

This item is to allow the Office of Economic & Workforce Development to report on activities related to the transfer and redevelopment of former Naval Station Treasure Island.
Estimated Length of Item: 10 minutes

c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (Discussion Item)
This item is to allow the Treasure Island/Yerba Buena Island Citizen Advisory Board to report on activity at recent meetings of the Citizen Advisory Board.
Estimated Length of Item: 10 Minutes

4. Communications (Discussion Item)
Estimated Length of Item: 5 minutes

5. Ongoing Business by Board of Directors (Discussion Item)
Estimated Length of Item: 5 Minutes

6. CONSENT AGENDA
Estimated Length of Item: 5 minutes *(Action Item)*

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the minutes of the March 9, 2011 Regular Meeting, March 22, 2011 Special Meeting and April 5, 2011 Special Meeting

b. Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Frantic, Inc. for Building 3

c. Resolution Authorizing the Thirty Fifth Amendment to the Treasure Island Land and Structures Master Lease between the Authority and the Navy to Extend the Term

d. Resolution Authorizing the Fifteenth Amendment to the Treasure Island Marina Master Lease between the Authority and the Navy to Extend the Term

e. Resolution Authorizing the Twenty Third Amendment to the Treasure Island Event Venues Master Lease between the Authority and the Navy to Extend the Term

f. Resolution Authorizing the Twenty Seventh Amendment to the Treasure Island South Waterfront Master Lease between the Authority and the Navy to Extend the Term

g. Resolution Authorizing the Seventh Amendment to the Treasure Island Childcare Center Master Lease between the Authority and the Navy to Extend the Term

h. Resolution Approving and Authorizing the Director of Island Operations to Execute and Enter into a Modification to the Cooperative Agreement with the United States Navy to extend the term from October 1, 2011 to September 30, 2012.

i. Resolution Approving and Authorizing the Execution of a Sublease with SOL ROUGE, LLC., a California limited liability company for Buildings 141 and 448, Treasure Island

j. Resolution Retroactively Approving and Authorizing the Execution of the Application To Place A Banner Above The Yerba Buena Island Tunnel with Bay Area Air Quality Management District, a governmental agency

7. Discussion of Future Agenda Items by Directors (Discussion Item)
Estimated Length of Item: 5 Minutes

8. POSSIBLE CLOSED SESSION
If approved by the Authority Board, this closed session item will take place for approximately 30 minutes at the end of the meeting

a. Public comment on all items relating to closed session

b. Vote on whether to hold closed session to confer with real property negotiators (Action item)

1). CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Rich Hillis, Michael Tymoff, Jon Yolles
Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC, Treasure Island Homeless Development Initiative,
Property: Former Naval Station Treasure Island
Under Negotiation: Price: _____ Terms of payment:_____ Both: X

c. Reconvene in open session (Action item)
i. Possible report on action taken in closed session under Agenda Item 8 (Government Code section 54957.1(a)(1) and San Francisco Administrative Code Section 67.12)
ii. Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12).

9. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public

inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 941130 during normal office hours.

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Individuals and entities that influence or attempt to influence local legislative or administrative action may be required by the San Francisco Lobbyist Ordinance [SF Campaign and Governmental Code 2.100] to register and report lobbying activity. For more information about the Lobbyist Ordinance, please contact the Ethics Commission at 30 Van Ness Avenue, Suite 3900, San Francisco, CA 94102, telephone (415) 581-2300, fax (415) 581-2317 and web site http://www.sfgov.org/ethics/.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Treasure Island Development Authority Board of Directors

From: Mirian Saez, Director of Island Operations

Date: May 6, 2011

Re: Use Permit and Film Permit Waivers and Reductions

The following waivers and reductions were granted for short-term Use Permits and Film Permits between April 9 and May 6, 2011

Fee Waivers:

- San Francisco Police Department – Yerba Buena Island Quarters 3 – 7; unoccupied Northpoint and Bayside housing units – April 12 - 15, 27, 28, 2011

- Berkeley Police Department – YBI Quarters 240, Quarters 3 – April 14,20, 2011

- U.S. Department of Homeland Security – YBI Quarters 240– April 21, 2011

Security Deposit Waivers:

- David Emmite Photography – Avenue H and 3rd Street – April 26, 2011

- Gravy Productions – Avenue of Palms and California Avenue – April 29 – May 1, 2011

- SF Renegades Drum and Bugle Corps – Building 180 parking lot – April 30 – May 1, 2011

Reductions:

- SF Renegades Drum and Bugle Corps – Building 180 parking lot – April 30 – May 1, 2011

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Mirian Saez, Director of Island Operations

From: Marianne Mazzucco Thompson, Public Information Officer

Date: April 28, 2011

Re: Update on Treasure Island Parking Program

In February of 2009, Project Office Staff made an Informational Presentation to the Treasure Island Development Authority Board of Directors ("Authority Board") on the Treasure Island Parking Program. The Parking Program was created in an effort to protect Island property, enhance public safety, prevent illegal parking and eliminate abandoned vehicles. The 2009 presentation primarily focused on the Residential Area. Having implemented the Parking Program in the residential area over the last two years, Project Staff wishes to extend the Parking Program to the remaining non residential areas of the Island such as streets, parking lots and open space.

In 2008, amendments were made to the San Francisco Transportation Code authorizing TIDA to adopt the Parking Rules and enabling the enforcement of parking regulations for Treasure and Yerba Buena Islands in accordance with the California Vehicle Code and the San Francisco Transportation Code including, but not limited to, Transportation Code Section ("The Code") 7.2.43(a)(20) adopted by the San Francisco Board of Supervisors in Ordinance No. 287-08, dated November 11, 2008. The Code prohibits parking in areas of Treasure and Yerba Buena Islands where enforcement signage of parking restrictions and prohibitions are posted by TIDA.

Project Staff will present a resolution with the Parking Program Rules at an upcoming meeting of the Authority Board proposing to expand the Parking Program into the non residential areas.

Upon approval of the extended Parking Program Rules, enforcement signage will be placed throughout the Islands to prevent illegal parking. The enforcement signage will advise vehicle owners of the parking regulations in designated areas, prohibit overnight parking, limit parking time as well as discourage unsafe parking.

Currently Project Staff is working with the City Attorney's Office and Municipal Transportation Authority (MTA) to see if the Islands can be folded into the existing MTA towing contract through a Memorandum of Understanding (MOU). MTA, as the holder of the City-wide towing contracts, enforces parking throughout the City. It is TIDA's desire to be included in the existing

towing contract with MTA. The towing contract is essential to the Parking Program, both for enforcement of the program as well as to fulfill requirements that all parking enforcement signage include the name of the company responsible for towing vehicles.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To: Mirian Saez, Director of Island Operations

From: Marianne Mazzucco Thompson

Date: April 15, 2011

Re: The Treasure Island Homeless Development Initiative, Member Agencies

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In response to Treasure Island Development Authority Board Member Larry Del Carlo's inquiry at the March 9, 2011 meeting, attached please find a copy of the complete list of Treasure Island Homeless Development Initiative (TIHDI) Member Agencies.

Current Active TIHDI Member Agencies

Boys & Girls Club of San Francisco (after school and summer programming)
Catholic Charities Catholic Youth Organization (permanent family housing)
Community Housing Partnership (permanent family housing & property management)
Haight-Ashbury Free Clinics, Inc. (transitional housing)
Mercy Charities Housing, California (housing development support)
Rubicon Programs, Inc. (permanent family housing, landscaping contract—training & employment program)
Swords to Plowshares (transitional housing)
Toolworks (janitorial contract—training and employment program)
Walden House (transitional housing for men and women)

Government & Community Partners on island

Treasure Island Development Authority
John Stewart Company
SF Food Bank
Wine Valley Catering
Good Neighbors

TIHDI Member Housing

Catholic Charities: 66 units of permanent housing for families (Shelter Plus Care program, list administered by DHS, voluntary support services, property management by CHP)
Community Housing Partnership: 66 units of permanent family housing (Sect. 8 list administered by Housing Authority, voluntary support services, own property manager)
Haight Ashbury Free Clinics: 18 units of transitional & residential treatment housing (occupied, has three programs for a continuum of recovery services, services provided on-site)
Rubicon Programs: 44 units of permanent housing for families (Sect. 8 list administered by HA, voluntary support services, JSCO property manager-separate from Villages)
Swords to Plowshares: 24 units of transitional housing for veterans (occupied, services provided on and off site, stay is up to two years, own property manager)
Walden House: 6 units of transitional housing for men (occupied, services provided on and off site, stay averages a year, own property manager)
Walden House: 26 units of transitional housing for women, and some reuniting with their children, services provided on site

Total Number of TIHDI Housing: 250

Job Broker Participating Agencies:

Arriba Juntos
Catholic Charities CYO
Community Housing Partnership
Compass Community Services
Goodwill
Hamilton Family Center
Hire-Ability
Mission Hiring Hall
Northern CA Service League
Swords to Plowshares
Toolworks
Walden House

SAN FRANCISCO POLICE DEPARTMENT
SOUTHERN STATION
850 BRYANT ST
SAN FRANCISCO, CA. 94103
OFFICE #: (415) 553-7959
FAX # (415) 553-9722

Fax Transmittal Sheet

DATE: May 2, 2011

AGENCY: Treasure Island Development Agency

FAX NUMBER: (415) 274-0299

ATTENTION: Marianne

SENT BY: Larry Bertrand

PHONE #: (415) 553-7959

COMMENTS:

Marianne,

Here are the Treasure Island reports for April, 2011. If you should have any questions about it, please do not hesitate to call me.

Thank you.

Larry Bertrand

Number of pages, Including Cover Sheet: 2

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
4/30/11	5/1/11	401 13th St	Vandalism	Unknown Suspect	110352288
4/29/11	4/29/11	1404 Sturgeon St	Battery	Known Suspect	110347132
4/25/11	4/25/11	1147 Ozbourn Ct	Burglary, Hot Prowl	Unknown Suspect	110336420
4/23/11	4/23/11	2 Avenue of the Palms	Vandalism	Unknown Suspect	110331351
4/22/11	4/22/11	1237 Northpoint Dr	Missing Juvenile	Non Suspect Incident	110328637
4/22/11	4/22/11	1139 Ozbourn Ct	Vehicle Vandalism	Suspect Cited	110332161
4/22/11	4/22/11	1200 Bayside Dr	Vandalism	Known Suspect	110328267
4/22/11	4/22/11	351 Ave H	Obscene Phone Calls	Unknown Suspect	110327708
4/22/11	4/22/11	150 Oak St	Domestic Violence	Known Suspect	110327128
4/19/11	4/20/11	1139 Ozbourn Ct	Missing Juvenile	Non Suspect Incident	110320655
4/18/11	4/18/11	1232 Northpoint Dr	Unknown Suspect	Unknown Suspect	110316723
4/17/11	4/17/11	1116 Hutchins Ct	Battery	Suspect Cited	110312260
4/17/11	4/17/11	401 13th St	Vandalism	Unknown Suspect	110313484
4/16/11	4/16/11	200 California St	Aided Case	Non Suspect Incident	110311820
4/13/11	4/13/11	1403 Sturgeon St	Threats	Unknown Suspect	110302352
4/10/11	4/10/11	1439 Chinook Ct	Found Person	Non Suspect Incident	110289330
4/6/11	4/6/11	1137 Mason Ct	Found Property	Non Suspect Incident	110281267
4/3/11	4/3/11	1253 Exposition Dr	Aggravated Assault	Unknown Suspect	110270492
4/2/11	4/2/11	1253 Exposition Dr	Aggravated Assault	suspect Booked	110269558
				TOTAL	19

Part 1 Crimes April, 2011

			Total	
Burglary 1	Robbery 0	Homicide 0	Arson 0	Total 6
Assault 5	Sex Offenses 0	Vehicle Theft 0	Larceny	

JOHN STEWART COMPANY

RECEIVED
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MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Suzanne Wood, Edison Capital; John Stewart, JSCo; Paula Schlunegger, JSCo; Jack Gardner, JSCo; Loren Sanborn, JSCo; Lynny Lee, JSCo; Ned York, JSCo; Connie Le, JSCo

From: Michael Smith-Heimer

Date: April 20, 2011

Subject: Percentage Rent for Treasure Island Housing Project Sublease for March 2011

Enclosed is our payment of Percentage Rent in the amount of $369,377 for the March period, calculated per the sublease agreement. This figure is based on the accompanying attachments. You should note that these expenses reflect a suspension of reserve funding as outlined in the sublease requirements but continue to include accrued funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of March 2011, Actual Total Revenues were 6.5% above Budgeted Total Revenues while Actual Total Operating Expenses were below Budgeted Total Operating Expenses by about 5.5%. The result was that Funds Available for Distribution were above budget by about 26.1%.

Calculation of Percentage Rent

Based on operations, a total of $388,818 in adjusted Gross Revenues after costs of operations are available for distribution for the March period. These revenues are distributed as follows:

March 2011 Distributions	Actual	Budgeted
Available for Distribution	$388,818	$308,275
Percentage rent for TIDA	$369,377	$292,861
Percentage rent for JSCO	$19,441	$15,414

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

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COMPARISON TO BUDGET March 2011

	March				YEAR TO DATE			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Total Revenue	867,544	814,828	52,716	6.47%	2,629,427	2,444,484	184,943	7.57%
Marketing	4,575	9,565	(4,990)	-52.17%	11,544	28,695	(17,151)	-59.77%
Administrative	70,487	74,998	(4,511)	-6.01%	200,662	224,994	(24,332)	-10.81%
Utilities	118,178	117,030	1,148	0.98%	357,976	351,090	6,886	1.96%
O&M	179,586	167,109	12,477	7.47%	470,236	501,327	(31,091)	-6.20%
EOY Reconciliation								
Tax Ins (inc. community room and finance exp)	33,174	34,550	(1,376)	-3.98%	99,929	103,650	(3,721)	-3.59%
Rent	47,765	48,301	(536)	-1.11%	143,294	144,903	(1,609)	-1.11%
Reserves		-	-		-	-	-	
Replacement (excl. anticipated draw)	24,960	55,000	(30,040)	-54.62%	123,701	165,000	(41,299)	-25.03%
Total Expenses	478,726	506,553	(27,827)	-5.49%	1,407,342	1,519,659	(112,317)	-7.39%
					-			
Available for Distribution	388,818	308,275	80,543	26.13%	1,222,085	924,825	297,260	32.14%
Available for Distribution	388,818	308,275	80,543	26.13%	1,222,085	924,825	297,260	32.14%
TIDA	369,377	292,861	76,516	26.13%	1,160,981	878,584	282,397	32.14%
JSCo	19,441	15,414	4,026	26.13%	61,104	46,241	14,862	32.14%

ATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
March 2011 Operations for Treasure Island Project

	Draw 135	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146
DRAW												
Units ready for occupancy at Beginning of month	578	578	570	570	578	578	578	578	578	578	578	578
Units Leased and Occupied during month	464	463	459	449	438	434	432	426	421	417	414	410
Aggregate Units Leased and Occupied during month												
Average Unit Rent												

	April	May	June	July	August	September	October	November	December	January	February	March
	April 2010 Actuals	May 2010 Actuals	June 2010 Actuals	July 2010 Actuals	August 2010 Actuals	September 2010 Actuals	October 2010 Actuals	November 2010 Actuals	December 2010 Actuals	January 2011 Actuals	February 2011 Actuals	March 2011 Actuals
DISBURSEMENT OF REVENUES (Per Sublease Agreement)												
Adjusted Gross Revenue	994,255	986,398	972,017	964,750	962,501	930,477	919,276	967,388	1,859,672	987,625	974,258	967,544
Less Base Rent	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765	-47,765
Less Operating Expenses (including EOY reconciliation for payroll)	-477,774	-451,105	-456,976	-395,501	-403,774	-377,448	-353,306	-442,264	-435,492	-362,271	-355,346	-373,225
Less CAM Charge	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242
Less Replacement Reserve Funding	-11,560	-11,560	-11,560	0	0	0	0	0	0	0	0	0
Management Fee	-29,385	-29,025	-28,890	-28,712	-28,858	-30,105	-24,025	-28,394	-25,739	-29,493	-29,493	-29,493
Less Marketing Fee	0	0	0	0	0	0	0	0	0	0	0	0
Addback int security deposits												
Total Operating Expenses	-594,726	-567,700	-573,434	-500,221	-508,639	-483,560	-484,238	-544,666	-537,238	-467,771	-460,846	-478,726
Revenues Net of Operating Expenses	389,529	418,698	398,584	464,537	453,941	446,916	435,039	422,723	532,434	419,855	413,412	380,818
Ledger Reduction for Period												
Accretion for Period												
Adjustment for Actual Accretion in May ($26,808 vs. $23,699)												
Adjustment for Actual Accretion in June ($23,699 vs. $19,047)												
Adjustment to Reconcile Posessory Interest thru June 2008												
Developer Fee (fee based on Amendment 2)												
Allowable Construction Costs												
Total Expenses for Construction and Ledger Account Activities	389,529	418,698	398,584	464,537	453,941	446,916	435,039	422,723	532,434	419,855	413,412	380,818
Revenues Remaining for Distribution in Percentage Rent	-370,063	-397,755	-378,655	-441,310	-431,244	-424,570	-413,287	-401,587	-505,813	-398,862	-392,742	-369,377
TIDA Share of Revenues (Percentage Rent)	-19,475	-20,933	-19,929	-23,227	-22,697	-22,346	-21,752	-21,136	-26,622	-20,993	-20,670	-19,441
JSCo Share of Revenues (Percentage Rent)												
Total Percentage Rent Disbursed	-389,529	-418,698	-398,584	-464,537	-453,941	-446,916	-435,039	-422,723	-532,435	-419,855	-413,412	-388,818
Ending Balance Gross Revenues	0	0	0	0	0	0	0	0	0	0	0	0

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
March 2011 Operations for Treasure Island Project

DRAW	Draw 135	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146
Units ready for occupancy at Beginning of month	570	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month												
Aggregate Units Leased and Occupied during month	464	463	458	449	438	434	432	426	421	417	414	410
Average Unit Rent												
	April	May	June	July	August	September	October	November	December	January	February	March
REVENUE FROM OPERATIONS												
Estimate of Gross Revenue	1,130,125	1,139,126	1,138,069	1,135,001	1,134,652	1,132,803	1,143,291	1,127,591	1,123,462	1,121,573	1,121,015	1,122,704
Adjustment for Move-in Timing	-158,589	-168,428	-175,096	-186,133	-195,813	-214,147	-223,147	-230,514	-238,000	-241,995	-254,924	-269,798
Financial Income (inc. marketing from Sept. 2008 onward)	727	703	713	604	718	686	658	531	579	617	553	492
Credit Check Revenue												
Other Revenue	3,992	12,929	7,637	17,226	23,024	11,923	-1,585	69,789	183,710	7,430	6,815	5,101
Gross Revenue Collected	984,255	986,380	972,017	964,750	962,581	930,477	919,278	967,388	1,069,872	887,625	874,250	857,544
EXPENSES FROM OPERATIONS												
6300 ADMINISTRATIVE EXPENSES												
6210 Advertising/Marketing	971	1,063	971	971	1,011	971	1,980	971	-971	0	0	0
6250 Credit Reports	770	713	675	676	1,434	1,303	951	659	837	986	1,341	1,459
6287 Model Unit/Office TI												
6310 Office Salaries	10,190	19,061	17,078	16,028	18,741	18,334	18,891	10,391	19,114	16,635	17,074	16,489
6311 Office Supplies	5,480	3,168	1,424	4,562	4,374	932	3,613	2,523	3,357	4,559	1,607	3,443
6315 Furniture Lease												
6310 Consulting Expense												
6315 Office Supplies Environmental												
6320 Management Fee	29,388	29,025	28,800	28,712	28,850	30,100	24,925	28,394	25,739	29,493	29,987	26,783
6326 Temporary Services									0	0	0	0
6330 Manager/Supervisor	5,790	5,983	5,798	5,983	5,983	5,790	5,983	5,790	7,083	6,277	5,520	6,222
6331 Staff Units	2,880	2,000	2,880	2,800	2,880	2,880	2,800	2,880	2,800	2,003	2,003	2,003
6333 Payroll Suspense												
6340 Legal Expenses	1,725	-401	-387	1,645	5,751	10,028	3,225	4,343	988	584	11,224	4,420
6341 Legal Environmental												
6350 Audit Fee/Bookkeeping	0	3,456	0	0	0	0			0	1,912	3,085	7,112
6360 Telephone	1,605	1,721	1,738	1,867	1,743	2,258	1,188	1,207	1,755	1,899	1,120	1,169
6370 Collection Loss	575	-60	-515	4,758	-105	-1,272	18,422	-380	11,102	0	0	46
6390 Miscellaneous Administrative	512	144	0	310	0	491	225	2,875	0	0	925	525
6385 Mileage/Travel	345	222	134	149	178	124			619	206	168	277
6395 Vehicle Lease & Insurance					0	0						
6392 Seminars/Training	0				0	0			0			2,100
6393 Temporary Services												
6394 Community Outreach												
6395 Administrative Services												
6398 Computer Charges	187	3,939	187	322	167	255	187	187	187	767	209	105
6390 Rent Credits												
Remediation Expense									0			
Subtotal: Administrative Expenses	58,334	70,034	50,707	70,677	71,955	72,099	82,386	65,859	72,132	67,920	69,223	76,063
UTILITIES												
6450 Subtotal: Utilities	129,398	127,976	127,424	130,228	129,070	125,923	124,202	123,628	121,620	120,473	119,325	119,170
6589 Navy CAM Charge	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242	20,242
6588 OPERATING AND MAINTENANCE												
6510 Janitorial Payroll												
6515 Janitorial Supplies	145	1,032	130	0	0	175	584	0	297	685	475	211
6517 Contract Cleaning	420	1,150	950	680	1,910	1,540	550	640	1,340	110	160	420
6519 Exterminating/Supplies	725	650	805	1,155	1,825	1,950	3,830	1,987	2,000	2,063	2,350	3,715
6521 Operation/Maintenance Rent Free Unit	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625	1,625
6525 Rubbish Removal	23,044	18,728	-2,565	18,488	21,411	13,342	24,037	19,000	17,735	19,457	16,896	17,221
6530 Security Contract	19,549	14,480	5,476	8,425	8,481	7,466	9,059	14,095	7,338	7,210	7,513	17,917
6532 Security Supplies	250	4,622	-3,416	5,845	1,888	6,446	520	179	601	499	380	1,633
6533 Fire Alarm Expenses	477	1,920	3,468	0	270	467		0	0	1,094	0	0
6520 Maintenance Contracts										0		
6534 Tree Maintenance						1,440	030	1,440	93,727	6,823	0	33
6538 Grounds Supplies											0	
6537 Grounds Contract	41,670	53,624	9,115	69,938	38,752	38,844	51,050	41,237	38,844	39,844	38,844	30,844
6539 YBI Maintenance Payroll												
6510 Maintenance Payroll	15,761	17,594	17,249	13,776	16,824	13,193	14,227	13,002	14,052	14,750	12,703	17,942
6541 Repairs Material	6,707	5,589	2,464	4,365	8,975	6,640	14,646	2,130	5,357	16,657	6,349	11,246

ATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
March 2011 Operations for Treasure Island Project

	Draw 135	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146
DRAW	578	578	578	578	578	578	578	578	578	578	578	578
Units ready for occupancy at Beginning of month	454	453	458	449	438	434	432	429	421	417	414	410
Units Leased and Occupied during month												
Aggregate Units Leased and Occupied during month												
Average Unit Rent												

	April	May	June	July	August	September	October	November	December	January	February	March
0542 Repairs Contract	16,405	1,782	-6,890	1,770	0	4,221	5,625	1,268	1,888	6,541	-8,074	4,443
0543 Plumbing Maintenance (includes $810 EOY adjustment in December, 2004)	21,503	12,383	4,648	11,520	3,334	1,162	3,851		7,316	1,276	2,100	30,908
0544 Electric Maintenance	16,868	2,381	-9,984	6,310	2,052	1,591	6,375	1,118	1,463	0	0	
0545 Elevator Maintenance										0	0	
0546 Heating and Cooling (includes $291 EOY adjustment in December, 2004)	457	3,216	2,675	0	0	151	0	1,828	2,117	2,983	0	
0548 Payroll Environmental					0							
0549 Repair Material Environmental					0			1,225	0			
0553 Appliance Repairs	0			0		58	190	115	0	8	729	
0554 Windows Repairs										0	0	
0555 VOM Maintenance Repair										0	0	2,716
0556 Painting and Decorating (includes adj for August 2007)	4,485	5,420	-3,043	1,186	2,204	1,089	273	11,752	6	0	0	
0562 Roof Repairs/Contract										0		
0565 Furniture rent - Temp Relocation	761	1,126	584	711	2,050	416	2,409	428	0	568	621	1,115
0578 Vehicle Lease									2,114			
0572 Maint and Equipment Repair (includes $700 EOY adjustment in Dec)	2,255	33,373	-83,008	21,762			1,354		320	100	1,898	0
0580 Misc. Oper and Maintenance	004	0	0						0	2,584	30	604
0573 Uniform/Laundry Service			247,204	-38,845	16,735	11,838	0				26,040	2,050
0574 Repairs contract Other		0	0									
0596 Fire Damage Costs	46,432	-1,648	28,190	20,022	20,382	14,035	11,110	21,813	14,139	28,858	7,100	8,849
7230 Interior Replacement (eligible for RR Draw)	7,338	10,368	15,070	15,375	10,313	17,151	10,450	11,782	0	4,672	6,236	4,317
7220 Appliance Replacement (eligible for RR Draw) (includes $2,160 EOY adj in												
7200 Relocation Expense	55,500	40,555	26,332	18,508	1,267	5,828	6,002	161,280	0	14,195	42,715	11,795
7240 Exterior Replacement (eligible for RR Draw) (includes $9,320 EOY adj in Dec	279,260	244,042	278,668	193,895	101,444	151,302	171,617	249,724	211,167	188,396	163,012	176,364
Subtotal: Operating and Maintenance												
6788 TAXES/INSURANCE												
6716 Taxes -- Real Estate	3,148	4,543	3,776	3,866	3,700	3,445	3,505	3,436	4,592	8,060	4,820	4,180
6711 Payroll Taxes									0	0		
6790 Misc Licenses/Permits (inc. marketing in September, 2800 on)	12,004	12,098	2,028	12,780	53,529	34,691	12,050	11,838	37,381	13,313	13,313	13,313
6720 Property Insurance (inc. adj for insurance Claims and YTD adj)		2,735	0						0	0		
6721 Fidelity Bond	2,725	4,662	2,748	2,625	1,713	2,521	2,283	2,553	2,877	2,634	2,758	3,370
6722 Workers Compensation (includes $11 EOY adjustment in Dec)	4,858	4,858	4,858	4,373	4,373	4,857	4,857	4,057	4,857	5,276	5,224	5,003
6723 Employee Health and Life Insurance (excludes 401(k)	580	580	580	580	580	580	586	580	580	580	580	1,138
401(k) Matching Contribution estimate	8,108	8,103	8,188	8,085	8,085	8,085	8,085	8,085	8,085	8,085	8,085	8,085
6718 Possessory Interest Tax	47,705	47,705	47,705	47,705	47,705	47,705	47,705	47,705	47,705	47,705	47,705	47,705
Base Rent Payment	77,885	84,146	68,760	78,082	117,813	99,944	77,791	77,213	104,137	81,741	80,543	88,939
Subtotal: Taxes/Insurance												
Note: Includes ajustment for Insurance Claim expense for JULY of 11,834.1												
6900 SERVICE EXPENSES										0	0	0
6891 Recreation Salaries	0	0	0	0	100	0,000	80	0		0	0	0
6882 Recreation Supplies (includes -$150 EOY adjustment in Dec)										0	0	0
6995 Jimoy	0	0	0	0	100	0,008	80	8				
Subtotal: Services												
7000 Replacement Reserve Eligible Expenses												
7100 CORPORATE EXPENSES												
7120 Legal Expenses												
7138 Federal Income Tax												
7131 State Income Tax												
Subtotal: Corporate Expenses												
Adjustment for Operating Expense actuals for 2003 (reversal in Dec 2004)	583,168	568,140	561,874	580,221	580,639	483,668	484,238	544,666	537,238	487,771	468,846	478,726
TOTAL OPERATING EXPENSES												
Monthly Expense per Unit (net of Replacement Reserves)												
Less Reserves	11,500	11,580	11,560									
Marketing Expenses	594,726	567,788	573,434	580,221	580,639	483,660	484,238	544,666	537,238	487,771	468,846	478,726
TOTAL EXPENSES	594,726	567,788	573,434	580,221	580,639	483,660	484,238	543,441	537,238	487,771	468,846	478,726
Total Expenses Net of Environmental												
Per Unit Monthly Expenses (of occupied units -- Net of Environmental)								1,226	0	0	0	0
Per Unit Monthly Expenses (occupied unit pro rata of Total Expenses)	0	0	0	0	0	0	0					
TOTAL ENVIRONMENTAL EXPENSES												

Ent	Name	Acct No	Account Name	Invoice	Date	P.O. Num	Reference	Net
TRI00	Villages at Treasure	7141-000	% Rent - TIDA	% Rent	4/20/2011		Mar2011 % Rent	369,377.00

Payor:	TREASURE ISLAND-RES.	Date	Check No.	Check Amount
Payee:	Treasure Island Dvlpmnt Authority	4/20/2011	010316	369,377.00

Retain this statement for your records

AP200300(Rev. 01/03) www.infinitech

DO NOT CASH THIS CHECK UNLESS YOU ARE ... COPY

TREASURE ISLAND-RES.
The John Stewart Company, Trustee
1388 Sutter Street, 11th Fl
San Francisco, CA 94109

WestAmerica Bank
90-4021/1211
Sausalito, CA 94965

RECEIVED
APR 22 2011

Date	Check No.	Check Amount
4/20/2011	010316	$369,377.00

Three Hundred Sixty Nine Thousand Three Hundred Seventy Seven AND 00/100 Dollars

Pay to the order of:

VOID IF NOT CASHED WITHIN 180 DAYS OF ISSUANCE

Treasure Island Dvlpmnt Authority
2nd Floor, Treasure Island
One Avenue of the Palms
San Francisco, CA 94130

RUB BLUE IMAGE SECURE AREAS TO SHOW THE WORD *"VALID"*

COPY

⑈10316⑈ ⑆121140218⑆ 0506928621⑈

JOHN STEWART COMPANY

APR 22 2011
MS, RR, B/C
PS

MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Suzanne Wood, Edison Capital
John Stewart, JSCo
Paula Schlunegger, JSCo
Jack Gardner, JSCo
Loren Sanborn, JSCo
Lynny Lee, JSCo
Ned York, JSCo
Connie Le, JSCo

From: Michael Smith-Heimer

Date: April 20, 2011

Subject: Adjustment to Percentage Rent for Treasure Island Housing Project Sublease for August 2010 Reserve Release

---

Enclosed is our payment of additional Percentage Rent in the amount of $251,166 for 2010 (covering reimbursements for reserve funded items during the first six months of 2010. The distribution of these funds is calculated per the sublease agreement. This figure is based on the accompanying attachments.

Calculation of Additional Funds Available for Distribution in 2010

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted when the reserve draw is approved. A Reserve Draw totaling 264,385 was approved in August 2010.

Calculation of Additional Percentage Rent based on August 2011 Reserve Draw

Based on the approved Reserve Draw, a total of $264,385 was available for distribution per the sublease. These additional revenues are distributed as follows:

Reserve Draw 2010 Distributions	Actual
Available for Distribution	$264,385
Percentage rent for TIDA	$251,166
Percentage rent for JSCO	$13,219

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

2010 Adjustments for Replacement Reserve Reimbursements

DISBURSEMENT OF REVENUES (Per Sublease Agreement)	January 2010 Actuals	February 2010 Actuals	March 2010 Actuals	April 2010 Actuals	May 2010 Actuals	June 2010 Actuals	TOTAL 2010 Adjustment
Adjusted Gross Revenue	1,003,332	997,031	993,367	984,255	986,390	972,017	5,936,393
Less Base Rent	-46,636	-46,636	-46,636	-47,765	-47,765	-47,765	-283,202
Less Operating Expenses (including EOY reconcilliation for payroll)	-437,609	-369,246	-407,044	-477,774	-451,108	-456,976	-2,599,757
Less CAM Charge	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-169,453
Less Replacement Reserve Funding	-11,560	-11,560	-11,560	-11,560	-11,560	-11,560	-69,360
Management Fee	-32,649	-27,444	-29,552	-29,386	-29,025	-28,890	-176,947
Less Marketing Fee	0	0	0	0	0	0	0
Addback int security deposits		-12,820	12,785				-35
Total Operating Expenses	-556,696	-495,948	-510,249	-594,726	-567,700	-573,434	-3,298,753
Revenues Net of Operating Expenses	446,637	501,083	483,118	389,529	418,690	398,584	2,637,641
Revenues Remaining for Distribution in Percentage Rent	446,637	501,083	483,118	389,529	418,690	398,584	2,637,641
TIDA Share of Revenues (Percentage Rent)	-424,305	-476,029	-458,962	-370,053	-397,755	-378,655	-2,505,759
JSCo Share of Revenues (Percentage Rent)	-22,332	-25,054	-24,156	-19,476	-20,935	-19,929	-131,882
Total Percentage Rent Disbursed	-446,637	-501,083	-483,118	-389,529	-418,690	-398,584	-2,637,641
Ending Balance Gross Revenues	0	0	0	0	0	0	
Replacement Reserves Released to cover capital items deducted							
January	(41,470)						-41,470
February		(15,630)					-15,630
March			(62,285)				-62,285
April				(40,225)			-40,225
May					(38,080)		-38,080
June						(66,695)	-66,695
July							
Total adjustment in expenses	(41,470)	(15,630)	(62,285)	(40,225)	(38,080)	(66,695)	-264,385
Disbursement							
TIDA	39,397	14,849	59,171	38,214	36,176	63,360	251,166
JSCO	2,074	782	3,114	2,011	1,904	3,335	13,219

10/5/2010

Lynny -
Please transfer amount to Operating from R+R Account
Thanks
Ned

THE JOHN STEWART COMPANY

To: Mirian Saez, Director of Operations, TIDA

Fr: Ned York, Assistant Vice President, JSCo. NED

Cc: Mike Smith-Heimer, Senior Vice President, JSCo.
Lynny Lee, Staff Accountant, JSCo.

Date: August 6, 2010

Subj.: Reserve for Replacement Withdrawal Request

Following the July monthly TIDA/JSCo meeting, I am submitting for your consideration documentation related to a request to withdraw funds totaling $264,385.00 from the Villages at Treasure Island's Replacement Reserve Account and transfer the money into the property's Operating Account.

The enclosed Reserve Account Disbursement Request form includes a list of vendors, description of the work performed as well as the location of the work. All expenditures were paid for during calendar year 2010. All items are considered "capital improvements" and extend the "useful" life of the property as defined by HUD.

As of July, the Replacement Reserve Account had a balance of $834,625, and monthly funding of the account had ceased because of the high deposit amount. The Villages currently has a portfolio of 578 units but only 540 are considered "rentable." Paragraph 11.3, Replacement Reserve Account of the Treasure Island Sublease Agreement states that funding for the account must be made until there is at least $1,000 times the number of rentable units. Even with this withdrawal request, the balance will be $570,240 which is still above the required amount. Therefore, resuming the monthly replacement reserve deposits will not be necessary at this time. However, the Villages will make subsequent withdrawal request(s) later in the fiscal year.

By signing below you are approving this transfer from the Replacement Reserve Account into the operating Account of the Villages at Treasure Island.

Mirian Saez, Director of Operations, TIDA — Date 9/30/10

1388 Sutter St., 11th Floor · San Francisco, CA 94109 · Tel: (415) 345-4400 · Fax: (415) 614-9175
San Francisco · Sacramento · South Bay Regional Office · Los Angeles · San Diego

1

RESERVE ACCOUNT DISBURSEMENT REQUEST

Date Submitted: August 6, 2010

Property Name: The Villages at Treasure Island
Property Address: 1 Avenue of the Palms
San Francisco, CA 94130
Contact Name: Edward York, Assistant Vice President
Phone No.: (415) 345-4400
Fax No.: (415) 614-9175

- [ ] Repair Escrow
- [x] Replacement Reserve
- [ ] Environmental
- [ ] Tenant Improvement and Leasing Commissions
- [ ] Other: _____ (Describe)

Invoice No.	Invoice Date	Description of Work Performed and Location	Vendor	Check No.	Amount of Check	Amount Requested
5684	4/23/2010	Install composition shingle roofing - 1250 Exposition Drive	Acker & Guerrero Roof Company, Inc.	9453	$ 18,255.00	$9,180.00
5686	4/26/2010	Install composition shingle roofing - 1215 Bayside Drive	Acker & Guerrero Roof Company, Inc.	9453	$ 18,255.00	$5,265.00
5683	4/30/2010	Install single ply roofing - 1303 Gateview Avenue	Acker & Guerrero Roof Company, Inc.	9511	$ 12,300.00	$12,300.00
5687	6/16/2010	Install composition shinge & single ply roofing - 1311 Gateview Avenue	Acker & Guerrero Roof Company, Inc.	9821	$ 40,915.00	$35,725.00
5685	4/26/2010	Install composition shingle roofing - 1247 Exposition Drive	Acker & Guerrero Roof Company, Inc.	9821	$ 40,915.00	$5,190.00
5625	3/19/2010	Install single ply roofing - 1449 Croaker Street	Acker & Guerrero Roof Company, Inc.	9409	$ 35,505.00	$19,100.00
31131	3/1/2010	Inspect and cleaned - 955 Ninth Street, Bldg 1203	Acker & Guerrero Roof Company, Inc.	9368	$ 1,000.00	$1,000.00
5626	3/15/2010	Install single ply roofing - 410 Palm Avenue, Bldg. 1203	Acker & Guerrero Roof Company, Inc.	9409	$ 35,505.00	$16,405.00
5589	1/13/2010	Roof repairs - 1113 Keppler Court, Units G & H	Acker & Guerrero Roof Company, Inc.	9228	$ 7,950.00	$7,950.00
5590	12/11/2009	Install singles - 410 Palm Ave, Bldgs 1449, 1418, 1420, 1316, 1205-A, 302-G	Acker & Guerrero Roof Company, Inc.	9159	$ 7,740.00	$7,740.00
797204	11/5/2009	Boiler upgrade - 1232 Northpoint Drive	Ayoob & Peery Plumbing Co., Inc.	9115	$ 27,467.00	$25,780.00
798239	3/5/2010	Boiler & hot water heater - 1253 Exposition; Replaced pump on boiler - 1212 Mariner	Ayoob & Peery Plumbing Co., Inc.	9368	$ 27,427.00	$25,780.00
798169	2/24/2010	New hot water heaters system - 1241 Northpoint	Ayoob & Peery Plumbing Co., Inc.	9328	$ 15,630.00	$15,630.00
798925	6/4/2010	Installed new boiler - 1202 Mariner	Ayoob & Peery Plumbing Co., Inc.	9596	$ 28,215.00	$25,780.00
798733	5/6/2010	Install new water heater boiler - 1242 North Point	Ayoob & Peery Plumbing Co., Inc.	9515	$ 30,410.00	$25,780.00
798525	4/16/2010	Installed new boiler - 1217 Mariner	Ayoob & Peery Plumbing Co., Inc.	9457	$ 43,659.00	$25,780.00
						$264,385.00

Edward P. York
Name

August 6, 2010
Date

Assistant Vice President, The John Stewart Company, Management Agent
Title

ATTACH ALL INVOICES AND COPIES OF CANCELLED CHECKS

Ent	Name	Acct No	Account Name	Invoice	Date	P.O. Num	Reference	Net
TRI00	Villages at Treasure	7141-000	% Rent - TIDA	% Rent Adj	4/20/2011		% Rent Adj for 2010	251,166.00

		Date	Check No.	Check Amount
Payor:	TREASURE ISLAND-RES.			
Payee:	Treasure Island Dvlpmnt Authority	4/20/2011	010317	251,166.00

Retain this statement for your records

AP3000/Rev. 01/09 www.infoweed

TREASURE ISLAND-RES.
The John Stewart Company, Trustee
1388 Sutter Street, 11th Fl
San Francisco, CA 94109

WestAmerica Bank
90-4021/1211
Sausalito, CA 94965

APR 22 2011

Date	Check No.	Check Amount
4/20/2011	010317	$251,166.00

Two Hundred Fifty One Thousand One Hundred Sixty Six AND 00/100 Dollars

VOID IF NOT CASHED WITHIN 180 DAYS OF ISSUANCE

Pay to the order of:

Treasure Island Dvlpmnt Authority
2nd Floor, Treasure Island
One Avenue of the Palms
San Francisco, CA 94130

RUB BLUE IMAGE SECURE AREAS TO SHOW THE WORD *"VALID"*

⑈10317⑈ ⑆121140218⑆ 0506928621⑈

Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of May 6, 2011

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date	Leasehold Type	Sq. Ft.	Monthly Rent/ Permit Fee	Comments
Misc exterior locations	P-430	New	Toby Burditt Photography	April 7, 2011	49 Square Miles 2011 catalouge shoot		$500	
Building 1 Suites 212, 214, 216, 220, 222, 222A, 224, 228 and 234	P-432	New	Knife Fight, LLC	April 15, 2011	"Knife Fight" film production offices	3,228 SF	$3,228/mo	
T1 Front gate; B-3 parking lot	P-433	New	Gravy Productions	April 29 – 30, 2011	HD commercial photo shoot		$1,000	
Ave H and 3rd St	P-436	New	David Emmite Photography	April 26, 2011	Progressive insurance commercial photo shoot		$500	
Portion of Great Lawn	P-420	New	Marco Cochrane Sculpture Inc/Black Rock Arts Foundation	May 1, 2011	Temporary art installation		$200/mo	
Bldg 180 parking lot	P-440	New	SF Renegades	April 30 – May 1, 2011	Marching band practice		$500	
Building 264	398	New	Digitrad Communications	March 1, 2011	Office / storage	6,292	$3,000	
Building	405	Renewal	LiquiDyn, Inc.	March 15,	Storage	24,000	$3,000	

216				2011				
Building 33	409	Renewal	S3H, Inc.	March 18, 2011	Storage	3,960	$1,500.00	
Building 216	415	Renewal	Far-West	March 9, 2011	Storage	5,500	$550.00	

TREASURE ISLAND
FOR RECREATION DESTINATION

Volume 3, Issue 5
May, 2011

This newsletter was prepared
By Good Neighbors of Treasure Island
and Yerba Buena Island
under consultation with:
Treasure Island Development Authority;
and Mirian Saez,
Director of Island Operations

NEWS

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TREASURE ISLAND NEWS

DEADLINES & CONDITIONS

- All submissions of articles, announcements, and calendar items must be submitted by the 10th of the month prior to publication for consideration. Email

Good_Neighbors@comcast.net

- The editorial board reserves final rights for inclusion and exclusion.
- Acceptable formats are text submitted in Microsoft Word, PowerPoint, Publisher, JPEG or PDF.
- We encourage positive ideas, solutions and creative problem-solving for our communal challenges; we choose to build community rather than find blame.

Development Moves Closer To Reality

By Mark Connors

The plans to develop former Naval Station Treasure Island (Treasure Island and Yerba Buena Island) are progressing at a fast clip.

On April 19, after more than 10 years of meetings, presentations, reviews, and comment periods, the TI/YBI Citizens' Advisory Board (CAB) to the Treasure Island Development Authority (TIDA) voted to recommend that the TIDA Board approve final transaction and entitlement documents (plan documents) created by the Office of Economic and Workforce Development to move the project forward.

Two significant changes to the proposed plan include a shift from a "Redevelopment" funding mechanism to an Infrastructure Financing Districts (IFD) funding mechanism. The project will receive the same kind of public financing (tax increment financing), but less due to this shift. To make up for the reduced funding, TIDA staff has proposed a 5% reduction in affordable housing from 30% to 25%. However, there is a possibility this reduction could be restored through legislative changes.

These changes do not affect the Transition Housing Rules and Regulations (Transition document) for the Villages at Treasure Island (The Villages) or the housing that Villages residents currently live in.

In a meeting that lasted past midnight, on Thursday, April 21st the San Francisco Planning Commission voted to certify the Environmental Impact Report (EIR). The joint meeting was followed by a special TIDA meeting where the EIR and the plan documents were approved in preparation for final approval by the Board of Supervisors (BOS).

Continued on page 3

Bliss Comes To Treasure Island

Bliss Dance at Burning Man, 2010. Photo by Jon Evans, rezendi.com

Burning Man festival participants have come to expect art that impresses, outdoes previous projects, and pushes the limits of scale, engineering, and visual spectacle. But at 2010's festival, one work stood out among the rest. Both visually breathtaking and a feat of construction, Marco Cochrane's *Bliss Dance* necessitates public exposure. A work of this caliber deserves to be shared with our larger community.

Black Rock Arts Foundation (BRAF) is thrilled to collaborate with Marco Cochrane and his crew in showcasing this work publicly 2011. *Bliss Dance* will be on display on Treasure Island from April 19, 2011 until October 2011, or possibly longer if funding permits.

Without the support of our community we could not have entertained the ambition of bringing cherished works such as Bliss Dance into public view. Thank you for believing in us! However, we have not yet met our fundraising goal for this project. Help us sustain the growth and exposure of our artists, and make a donation to our Civic Arts Program today!

Sharing this artistic achievement with the larger Bay Area community is cause for celebration! Please join us for the Opening Reception on May 26

Continued on page 3

May 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2 Land Use Committee *	3	4	5	6	7
8	9	10	11 Budget and Finance Committee TIDA Board Meeting 1:30	12	13	14
15	16	17	18	19	20	21 Computer Technology Help Day See page 5
22	23	24	25	26	27	28 TI Market Place See page 5
29 TI Market Place See page 5	30	31	* for details, see page 4			

The (TIDA) Board of Directors meets on the second Wednesday of every month at 1:30 PM at San Francisco City Hall, Room 400. For more information, visit www.SFTreasureIsland.org

Treasure Island/Yerba Buena Island Citizen Advisory Board (CAB) Meetings are on the first Tuesday of each month 6:00 PM - 8:00 PM. Meeting locations vary. Check the agenda posted on www.SFTreasureIsland.org

The Community meeting is the third Wednesday of every other month *(every even numbered month)*, 6:30 PM at Shipshape

The Navy RAB meeting is the third Tuesday of every other month *(every even numbered month)*, 7 PM at the Casa de la Vista.

Southern (SFPD) Station's community meeting is held on the third Wednesday of each month. Locations vary each month. For information about the meeting locations, or to subscribe to my newsletter, please send an e-mail to sfpdsouthernstation@sfgov.org . All are encouraged attend!

Development—continued from page 1

There are a number of committee meetings that will be taking place (see page 4) in May, however the final hurdle in getting the plan approved are two separate Board of Supervisor meetings.

On June 7 the Board of Supervisors is currently scheduled to convene for a first reading of the final transaction and entitlement documents. If approved, another meeting is scheduled to take place on June 21 where the BOS will vote to ultimately approve the final transaction and entitlement documents

This is highly significant for residents living on the Islands:

- The final transaction and entitlement documents include the Transition Housing Rules and Regulations for The Villages at Treasure Island. Once approved, the rules regarding future benefits for residents of the Villages at Treasure Island go into effect . It is important to be in good standing with your landlord once this is approved and to maintain that standing throughout the interim period between now and when residents are asked to move. Except for residents of YBI, moves are not anticipated for at least several years.

- To review the transition document visit www.SFTreasureIsland.org (click here if you are viewing this electronically) To see a summary presentation made to the TIDA Board, click here.

For questions about the project, please call Jon Yolles at (415) 554-6129

Upcoming Schedule for Treasure Island Hearings

Monday, May 2 at 1:00pm,
Board of Supervisors, Land Use Committee considers whether to recommend the project and all project entitlements to the full Board of Supervisors. City Hall, Room 263

Wed, May 11 at 1:00pm
Board of Supervisors Budget & Finance Committee considers whether to recommend the project and all project entitlements to the full Board of Supervisors. City Hall, Board of Supervisors Chambers

Tuesday, June 7 2:00pm
Full Board of Supervisors hears EIR, if appealed, votes on final transaction and entitlement documents
City Hall, Board of Supervisors chambers

Tuesday, June 21 2:00pm
Full Board of Supervisors votes on final transaction and entitlement documents (second reading)
City Hall, Board of Supervisors chambers

*All dates subject to change. Check the Board of Supervisors website for updates: http://www.sfbos.org/index.aspx?

Bliss—continued from page 1

Visit blackrockarts.org/events/Bliss-Reception for more details

The sculpture, of a dancing woman, stands 40 feet tall, weighs 7000 pounds and is ingeniously constructed of triangulated geodesic struts. By day, the dancer's 'skin', made of stainless steal mesh, shimmers in the sun. By night, it alights brilliantly with a complex array of 1000 slowly changing l.e.d. colored lights. Viewers may interact with and manipulate the lighting effects with an iphone application. The dancer's delicate, graceful form precariously balances on one foot, adding to the astonishing impression of imminent movement and lifelike presence.

About the Artist

In 1962, Marco was born to American artists in Venice, Italy, and raised in California in the midst of the political and cultural movement. As a result, Marco learned respect for oneness, balance, the sacred, and the imperative to make the world a better place. In particular, he identified with the female struggle with oppression, and he saw feminine energy and power as critical to the world's balance. Supporting this change quickly became Marco's life's mission, although, it never occurred to him that art would be the vehicle. On a dare, he explored sculpting people and found a talent he was unaware of...the ability to re-create a person's essence in figurative form. When Marco started sculpting, he realized he was pursuing the mission he'd set out to do...to empower women.

Opening Reception— Bliss Dance at Treasure Island

The Black Rock Arts Foundation is excited to share with you our latest, breaking news: last week the Treasure Island Development Authority (TIDA) approved the installation of Marco CochranesBliss Dance on Treasure Island. The artwork will be on display beginning May 1, and will remain until at least October of this year, possibly longer, funds permitting.

Without the support of our community we could not have entertained the ambition of bringing cherished works such as Bliss Dance into public view. Thank you for believing in us! However, we have not yet met our fundraising goal for this project. Help us sustain the growth and exposure of our artists, and make a donation to our Civic Arts Program today.

Sharing this artistic achievement with the larger Bay Area community is cause for celebration! Please join us for the Opening Reception!

Thursday, May 26, 2011
6:00 pm - 10:00 pm
The Great Lawn, near 9th and Avenue of the Palms
Treasure Island
San Francisco, CA 94130

Visit blackrockarts.org/events/ Bliss-Reception for more details

Treasure Island MarketPlace Announces Grand Opening Memorial Day Weekend 2011

San Francisco, California. February 16, 2011 –The Treasure Island MarketPlace will host hundreds of local Bay Area exhibitors. In addition to antiques and collectibles there will be new clothing, independent designer merchandise, handmade one of-a-kind items, repurposed and up-cycled goods, shabby chic and French garden pieces, home décor, emerging designers, art, specialty food purveyors and more. The open-air market will be held on Treasure Island, Ave of the Palms, opening Saturday, May 28th & Sunday May 29th 2011, from 9am to 4pm and will be held the last weekend of every month thereafter.

"We want this show to be an experience, a haven of cool and unusual finds. It will be a place where shoppers connect directly with the designer, maker or collector of the products. Each market experience will be different, it will have a changing selection of both merchandise and food", stated, co-founders, Angie and Charles Ansanelli. "We look to include local entertainment and special events. Customers attending the Treasure Island MarketPlace will not only walk away with great treasures but also with memories of their finds to share for years to come."

Treasure Island itself is world renowned and has played a significant role in history. The island was man made in 1937 making it San Francisco's 3rd great project just behind the Golden Gate and Bay Bridges. The island hosted the World's Faire in 1939. After the World's Faire the island was set to become San Francisco's Municipal Airport but ended up being acquired by the Navy and played a pivotal role in WWII. Treasure Island is centrally located in the heart of the Bay Area and boasts some of the most spectacular views of the city.

About Treasure Island MarketPlace
Treasure Island MarketPlace is owned and operated by The Marin County Flea Market LLC., a privately held company, co-founded by Angie & Charles Ansanelli, with offices located in Novato, California. The company is committed to bringing a quality open-air market to Treasure Island where families and friends can gather and enjoy shopping for unique one-of-a kind items.
Treasure Island MarketPlace can be contacted at Info@TreasureIslandFlea.com or 415.898.0245.

The final phase of construction for the Self-Anchored Suspension Span tower began in early April with the placement of a 500-ton, 15-foot-tall segment. The tower now stands 495 feet, about 94% of its final 525 foot height. This section, called the grillage, sits atop the tower's four independent legs and will evenly distribute the weight of the world's largest cable saddle as well as the tower's nearly 1-mile-long single looped cable. The nickname "grillage" comes from the pattern created by intersecting internal steel plates. Stay tuned for more information about the placement of the cable saddle, currently scheduled for May.

You can find out more about the tower at BayBridgeInfo/projects/sas-tower, and watch amazing video footage of the tower legs being placed in February at BayBridge360.org.

Also in May, watch for information about a slight change in the eastbound lanes near the Toll Plaza, which will not only improve the approach into Oakland but will also help us accelerate construction and open the new East Span to all traffic sooner!

At the other end of the new East Span, construction continues on the westbound footings and columns for the Yerba Buena Island Transition Structure. Workers are also installing an eastbound access trestle. The new reinforced concrete structures will look very similar to the already constructed Skyway

TIHDI

2011 Workshop Schedule

ECONOMIC SELF SUFFICIENCY PROGRAM

All workshops held on the 2nd Wednesday of the month from 6:00pm-8:00pm unless noted with an asterisk*

SPECIAL POINTS OF INTEREST:

- FREE!
- REFRESHMENTS SERVED!
- Location: Ship Shape Building 850 Ave. I
- Pre-registration is Required!

Call or email Sherryl or Lani:

(415) 986-4810
smorris@tihdi.org
lhanson@tighdi.org

PLEASE NOTE:

- Workshops with the *same name will have the same information*, do not sign up for two of the same workshops.
- *Computer Help Day* is not a normal workshop, it is an opportunity for you to bring in your personal computer with any problems, to have a computer technician attempt to fix it.

April

April 6th
Intro to the Internet

April 13th
Credit Building Workshop

MAY

*Wednesday, May 11th, 10:30am-12 Noon
Resume Writing Workshop

*Monday, May 16th, 6:00pm-8:00pm
Introduction to Small Business Development Workshop

May *continued*

*Saturday, May 21, 1:00pm-4:00pm
Computer and Technology Help Day

July

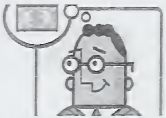
*Monday, July 11th, 6:00pm-8:00pm
Asset Building Workshop

August

August 10,
Credit Building Workshop

September

September 14
Asset Building Workshop



Fun, Free, Informative Workshops! Call now to sign up!

October

October 12th
Credit Building Workshop

November

*Monday, November 14th, 6:00pm-8:00pm
Asset Building Workshop

We're on the web!
www.TreasureIslandSF.org

How To Subscribe

Anyone can subscribe to this FREE newsletter by sending your request to:

Good_Neighbors@comcast.net

Please encourage your housemates, neighbors, and others interested in Treasure Island to sign up.

Or, residents of the Villages, can also send an email to:

Villages@JSCO.net

With the subject "Email Notices Sign-up" and include your name, address and contact info. Staff will verify the information, then send the latest community news.

Next Quarterly Meeting

Saturday, July 9
Shipshape
11 am—1 pm

Call (415) 520-6653

SAVE THE DATE

Big Island Cleanup

When: Saturday June 11

Goodwill Industries, The Department of the Environment and Recology will be on site to collect your used and disposable items. Full details will be in the June Newsletter.

BOYS & GIRLS CLUB

Island Youth Need Your Help!

The Boys and Girls Club on Treasure Island serves over 100 youths with a number of services and programs but continually need volunteers!

Opportunities for regularly scheduled or drop in tutoring and mentoring are available.

Don't short change yourself on what you can do to impact a youth!

Smokers!

Please be considerate of your fellow passengers on the 108. Don't smoke in or within 20 feet of any MUNI stop or shelter.— SF Health Code Article 19F Sec 1009.22

Look out for your safety and that of your neighbors as well!

To report a crime
always call the police first!

For Emergencies or crimes in progress
dial 9-1-1
(from a cell dial 415 553-8090)

For Non-Emergencies (415) 553-0123

E-mail Updates from Good Neighbors

Good Neighbors sends out at least one email per month containing the community newsletter and sometimes more. If you would like to get these updates, please write to: Good_Neighbors@comcast.net. Your information will be treated as confidential and your address will not be shared with others.

To ensure that future announcements from Good Neighbors of Treasure Island and Yerba Buena Island are delivered to your inbox (not your bulk folder), please add Good_Neighbors@comcast.net to your address book.

If you have already signed up but are not getting announcements, please check your SPAM filter.

NOTE: Signing up on the list does not make you a member. To become a member, please visit TreasureIslandSF.org and complete an online membership application.

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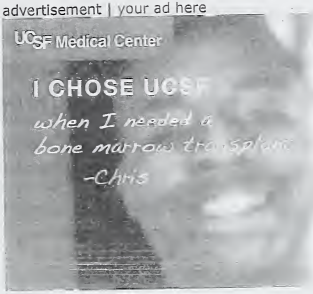

Treasure Island: Efficient transit seen as crucial

Will Kane, Chronicle Staff Writer
Sunday, April 17, 2011

In 15 years, 19,000 people could be living on Treasure Island, and a good portion of them will be leaving the island each morning for jobs in San Francisco and the East Bay.

They'll be less than a 10-minute drive from San Francisco - a dream commute. But if all 5,300 commuters expected to leave the island every morning get in their cars, they'll jam the already-gridlocked Bay Bridge. The line of cars trying to creep onto the span could stretch across the island.

City planners and the island's developers are convinced that a robust transit network can quickly get people off the island without them ever setting foot in their cars. But others are more skeptical, noting that each apartment or condominium on the island will have its own parking spot - meaning everyone will be tempted to get in their car every morning.

"We think about an island as removed from the rest of the city," said Peter Albert, a transit planner with the city. "But this is actually closer to downtown than the Richmond District."

Express bus planned

The city hopes an efficient, subsidized transit network - along with charges for driving off the island in the morning - will encourage commuters to ditch their cars and ride public transit.

Muni will have an express bus to San Francisco that takes 10 minutes to reach the Transbay Terminal. AC Transit will have a bus to the East Bay that stops at two BART stations. And the marquee way off the island will be a brand-new ferry that will take 10 minutes to get from the western shore of the island to the Ferry Building.

Because the development is a built-from-scratch neighborhood, transit planners say the system is designed to be more efficient and integrated than any other transit network in the Bay Area.

Developers acknowledge that the success of the proposed neighborhood, which goes before the Planning Commission for approval Thursday, depends in large part on its residents' willingness to get out of their cars.

If everyone decides to drive, Treasure Island could become a boondoggle of snarled traffic and angry commuters. But if enough use public transportation, the development could be a model for transit-oriented development in California.

"The innovations that we're piloting here are already starting to be replicated," Albert said.

The key, planners said, is to make public transit the easiest and most efficient way off the island. The first step in that direction will be providing each resident with a subsidized transit pass.

Buses, ferries and shuttles will converge at a transit hub on the southwest corner of the island where riders can move on, off or around the island.

Having all the transit options near the island's lone exit will make the plaza the thriving center of the island, planners said. The hope is that a commuter returning home will get off the ferry, stop at a nearby restaurant for dinner, and then unlock his or her bike for a quick ride home.

Even the most distant home on the island won't be more than a 20-minute walk from the transit terminal, and more than 60 percent of the units will be less than 10 minutes away, Albert said.

Buses will arrive at seven-minute intervals during the morning commute and five-minute intervals in the afternoon. A ferry will arrive every 15 minutes.

Transit service will grow as more and more people move onto the island over the proposed 15- to 20- year development period. The goal is to always have more transit service available than residents need.

"We don't want people to despair that there isn't enough service and turn to their cars," said Rich Hillis, with the Mayor's Office of Economic and Workforce Development.

$5 toll to drive off island

But the iron fist beneath that velvet glove will be a proposed $5 charge to drive off the island every weekday morning.

The toll would be set by a new transit board and could be changed regularly - increased if too many people are driving or decreased if no one is. The revenue from the fee would help pay for the island's transit subsidies.

The goal of the toll is not to prevent people from using their cars, but to always make transit a more attractive opportunity, Hillis said.

"We don't want anyone to feel like they can't drive off the island. We just want them to know the cost," he said.

But some are still worried about the impacts of the traffic.

No matter the cost, many residents of the island will always prefer to drive, said Ruth Gravanis, a member of the city's Commission on the Environment.

Instead of providing 8,000 parking spots, the city would be better off limiting the amount of parking for residents, she added.

But if residents need a car, Hillis said, the hope is just that they don't use it every day.

"We think we have enough carrots and sticks to get people out of their cars," he said. "But this is still an island, so we need to stay realistic."

E-mail Will Kane at wkane@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/04/17/MN4G1J0RGQ.DTL

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GET A DECISION IN 60 SECONDS

S.F. Planning Commission gets Treasure Island plan

Will Kane, Chronicle Staff Writer
Thursday, April 21, 2011

Today San Francisco leaders could approve a huge, $1.5 billion development on Treasure Island that would create a from-scratch neighborhood of 19,000 people on the 403-acre rectangle in the middle of the bay.

The new community, dotted with high-rises and buffered by open space, would be one of the biggest developments in decades.

"I've got an extra box I am taking with me (today)," Planning Commissioner Ron Miguel said Wednesday. "There is a lot to absorb."

The development has been in the works since 1997 when the Navy closed the base. The plans include 8,000 residential units, a 450-foot high-rise, robust transit and a vibrant shopping area, developers say. If the Planning Commission approves the proposal, it heads to the Board of Supervisors.

Critics say there are reasons to be skeptical about what has been promised.

Sand used to build the island in 1937 could turn to jelly in an earthquake. About 5,000 residents are expected to commute to work, and if they don't use proposed ferries or buses, they would clog an already congested Bay Bridge.

And the developers were forced to eliminate 400 affordable housing units this month when Gov. Jerry Brown's threat to cut redevelopment funding left the project $130 million short.

All of this, commissioners said, means there is a lot to consider, even though they've had dozens of informational presentations along the way.

"In some ways it seems like, 'Wow, there are still documents coming at us on Friday,' " said commission President Christina Olague. "There's kind of a sense of pressure when we get this close."

Olague said she was particularly interested by the project's transit plan and the cuts to affordable housing.

Rich Hillis, with the Mayor's Office of Economic and Workforce Development, said commissioners should feel well-informed.

"Nothing that we've presented to them in the last four months has changed," he said, noting that there have been more than 250 public meetings since the project was first announced.

"This is probably one of the most publicly vetted projects the Planning Commission has ever seen," he said.

Get involved: The hearing on Treasure Island will be held in Room 400 of City Hall at 6 p.m. and can be viewed on SFGTV Channel 78.

E-mail Will Kane at wkane@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/04/21/BA1S1J4Q53.DTL

This article appeared on page C - 1 of the San Francisco Chronicle

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Treasure Island: potential future of urban life

John King, Chronicle Urban Design Critic
Wednesday, April 20, 2011

As the immense Treasure Island project nears its final set of approvals, there's deserved scrutiny of issues like safety, transportation and the benefits the public should receive in return for allowing $1.5 billion of construction in the middle of San Francisco Bay.

The danger is that politics will obscure the larger issue if the project is approved: What gets built can't be business as usual or we'd be better off doing nothing at all. The design approach offers a tantalizing view of what urban life today could be, and that's exciting. But it's a blueprint, not a guarantee of success.

The basics unveiled in November 2005 and tweaked repeatedly since are known to anyone who follows planning issues.

The longtime naval base would be remade as a high-rise neighborhood wrapped in open space, including a 300-foot-wide promenade-like park along the shore that would be contoured to double as a buffer against potential sea level rise. Up to 8,000 housing units in buildings ranging from townhouses to towers would line blocks to the north and east of a new ferry terminal and commercial district. The northeast quadrant of the island, by contrast, would be mostly open space.

Aspects of the plan have the over-familiar feel of other communities on the drawing boards in urban California, with a grid layout and a pedestrian-oriented Main Street. The division between the parkland and residential districts looks abrupt on a map. A 37-acre federal job-training center would remain as the hole in the artisan doughnut.

Army of consultants

Work your way through the 340 pages of design guidelines prepared by a small army of consultants, though, and you see how they set the potential for something besides generic infill with a skyline view.

The most compelling element is the plan's weave of housing and open space so that, in theory, the two are inseparable on the ground.

The 6-block-long grid lining the park across from downtown San Francisco is a perfect example. They aren't perpendicular worlds apart; instead, they're stitched at each block by double rows of noninvasive eucalyptus trees meant to help muffle at least some of the winds that gust through the Golden Gate.

No simple grid

Think of dark green strokes that start in the park and then accent the east-west streets.

Nor are the blocks a simple grid of right-angled boxes. They're laid out to deflect the wind and let in afternoon sun.

The meshed development and landscape continues inland, where neighborhood life would center on a 40-foot-wide "shared street" with no segregation of roadway and sidewalks, only a linear collage of pavings and plantings with a pocket park at each corner. Automobiles could enter a specific block to pull up in front of a house or turn down an alley, but the path for cars never follows a straight line.

If this sounds like an invitation to carnage, it's also a variation of streets found in many European cities. Each block would be lined with low townhouses, punctuated by the vertical flourish of a tower in the 20-story range that would add people to the street but be placed so as not to shade the block's park.

The idea: a space where pedestrians feel at ease and drivers don't. It's designed to be a hassle.

For potential residents who might be spooked by shared streets, the island's eastern blocks are arranged along a more conventional band of green. Blocks would flank a 110-foot-wide car-free commons that's an asphalt-free version of Boston's Commonwealth Avenue.

'A human scale'

"We're trying for a human scale and intimacy where you always feel attached to the setting," said Kevin Conger of CMG Landscape Architecture, one of the firms on a design team that includes Perkins + Will, Skidmore Owings & Merrill and BCV Architects. "I can't think of other neighborhoods in the Bay Area that these would feel like."

That's got to be true if this project is to succeed, both urbanistically and financially.

The only way a "new" Treasure Island will flourish is for it to feel like a true place apart, distinctive and desirable, in the middle of the region's action but with a pedestrian-friendly scale. If it's just another master-planned district, a la San Francisco's young Mission Bay or the mixed-use zones being built near transit stations, it won't attract residents who can choose other locales that are more convenient.

Developers say they understand this and that the business side of the plan has controls on parcel sizes and design elements to ensure that the outcome won't be a stubby blur of mundane boxes. But it's too easy to imagine a scenario where good intentions get watered down to make budgets pencil out.

This already has occurred with regards to environmental sustainability. What was touted in 2005 as America's most aggressively green project now is a collection of best practices. This isn't bad - a strong conservation ethos remains - but the current version of the plan isn't wildly different from what progressive cities like San Francisco have begun to require as a matter of course.

If Treasure Island is to be redeveloped, rather than allowed to erode into the bay, the plan on the table is a genuinely innovative first step. The challenge will be to make reality exceed the potential.

The design guidelines for the proposed development of Treasure Island and Yerba Buena Island are at http://sfg.ly/erqxCU

E-mail John King at jking@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/04/20/BAV91J2ULE.DTL

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April 23, 2011

Plan for Treasure Island Clears Hurdle, but Serious Issues Remain

By ZUSHA ELINSON

Fantastic plans for Treasure Island, all worthy of its name, have come and gone since the Navy announced its departure in the mid-1990s.

There was a proposal to turn the quiet 403-acre island halfway across the bay into San Francisco's own Mustang Ranch, billed by those in favor as a way to "get the prostitutes out of the Tenderloin," according to news reports.

There was a more serious plan to build a theme park inspired by Sentosa in Singapore, a pleasure island with beaches, restaurants, hotels, rides, golf and computerized musical fountains.

Former Mayor Willie L. Brown Jr. floated the idea of a casino and was widely mocked. Plans for luxury golf courses have surfaced several times.

"It was sort of a unique time," said Larry Florin, who oversaw Treasure Island for the city in the late 1990s. "Land-use planning in San Francisco is like hand-to-hand combat, and you had this detached piece of property that no one thought about, so it was an opportunity for some free thinking to occur."

Now, a plan to turn Treasure Island into an ecometropolis for 19,000 residents with slender high-rises, sprawling parks, a 20-acre organic farm and a wind farm is inching toward approval. The planning commission voted, 4 to 3, on Thursday to certify the environmental impact report. The plan now goes to the Board of Supervisors.

But questions that poked holes in previous plans persist. In particular, there is the matter of how to get thousands of people on and off the island without further snarling the congested Bay Bridge. And there is the issue of paying for the infrastructure needed to stabilize the island, which was made with fill dredged from the bay for the 1939 Golden Gate International Exposition.

"The plans are inspirational and forward thinking, but there are some significant questions that I think are still hard to answer," said Mr. Florin, who later worked for Lennar Urban, a developer of the current Treasure Island project, and who now works for Napa County.

At the planning commission meeting, a toll, starting at $5, for anyone leaving the island in a car was presented as a way to keep traffic down. "We will be able to turn up that number until it is no longer appealing to drive off island," said Andy Thornley, policy director for the San Francisco Bicycle Coalition.

The development team — which includes Wilson Meany Sullivan, Lennar and Kenwood Investments — has proposed geotechnical fixes to firm up the island. More than a million cubic yards of fill would be crushed into the ground. The height of the island and a berm ringing the outer edge would be raised to guard against a rise in sea level.

The infrastructure improvements would cost $1.5 billion, two-thirds of which would be paid for by the developers and by taxing the future residents.

The final third was to be paid for with redevelopment money, but Gov. Jerry Brown intends to cut that. Now, that part would be paid for through infrastructure financing districts, a less powerful financing mechanism used to capture property taxes for street improvement and other projects.

As a result, affordable housing in the project would be cut from 30 percent of the planned 8,000 units to 25 percent.

Bill Sugaya, a planning commissioner, criticized that housing cut and said he had doubts about the financing tool. "We have no idea at this point how these districts are going to function and how much money they're going to generate," said Mr. Sugaya, who voted against the project.

About 2,000 people live on Treasure Island. It has boarded-up Navy buildings, low-slung town houses, film sets and sports fields where traditional Irish games like hurling are regularly played.

"At some point we just need to move forward," said Mark Connors, who has lived on the island for six years. "Many of us have been waiting for years for the project to progress."

zelinson@baycitizen.org

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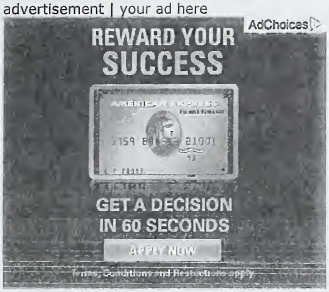

Treasure Island plan OKd by Planning Commission

Will Kane, Chronicle Staff Writer
Saturday, April 23, 2011

When a draft of the Treasure Island plan was last heard by the Board of Supervisors in 2010, it was approved unanimously, with nary a squeak of concern.

But the one thing to emerge from Thursday night's six-hour Planning Commission meeting to consider the $1.5 billion development is that when the plan comes before the board for its final review in the coming months, there will be a bit more skepticism.

In a contentious 4-3 vote just before midnight, the Planning Commission approved the plan to turn the 403-acre former Navy base into a vibrant neighborhood with transit, a 450-foot residential tower and plenty of open space. In 20 years, Treasure Island could have 8,000 new homes and apartments.

The project has been in the works since the Navy base closed in 1997. It could receive final approval by the summer.

The developers, which include Wilson Meany Sullivan, Lennar Urban and Kenwood Investments, said they were pleased with the vote.

"With these decisions, we have taken another important step toward building a safe, sustainable and livable community that serves a diverse range of residents," they said.

But concerns raised by the three commissioners who voted against the plan, all appointed by the Board of Supervisors, could amplify by the time the proposal reaches the board.

Commissioners Christina Olague, Bill Sugaya and Kathrin Moore said the development was a bad deal for San Francisco. The environmental impacts of the 19,000 new residents and 8,000 parking spots, combined with a recent cut of 400 affordable housing units, all mean the project is not ready for final approval, they argued.

"The residential parking ratio, one parking space per dwelling unit, is too high," Olague said. "It would make this an unsustainable subdivision."

Supporters said the proposed neighborhood would breathe new life into the aging island.

Commissioner Gwyneth Borden acknowledged that the project isn't perfect, but said no project of this scale can be.

"Twenty-five percent (affordable housing) is still better than zero percent, and no project is zero percent," Borden said.

Back in supes' hands

At the same meeting, the Treasure Island Authority, a separate government body created to oversee parts of the development, unanimously approved all parts of the plan.

The project now heads to the Board of Supervisors. The board reviewed a draft of the proposal for 8,000 residential units and parking spaces in May 2010 and supported the plan, 11-0.

Now that the final proposal is before the board, opponents say they hope the supervisors will listen to the objections of the three dissenting commission members.

"We would hope that there would be a more considered review at the board, but there's no telling," said Saul Bloom, head of Arc Ecology, an environmental group. "There's just so little knowledge about this whole thing."

Bloom said he would appeal the commission's approval of the project's environmental study.

'Time to do something'

Jamie Whitaker, a transit advocate, said he hopes the board will give the plan a more through vetting.

"The supervisors have to answer to their constituents, who will be impacted by this project," he said. "I could see a majority of them wanting to modify the (amount) of parking in the project."

But others said they were ready for the project to move along so the island could be upgraded.

"I think the added seismic stability will be a great benefit," said Mark Connors, a resident of the island for six years. "Obviously we need new infrastructure, and that won't happen without this development."

"At some point we need to say, we've been at this 10 years, it is time to do something," he added.

E-mail Will Kane at wkane@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/04/23/BAJ11J63NI.DTL

This article appeared on page C - 1 of the San Francisco Chronicle

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From The Associated Press, April 22, 2011 - 4:18 PM

San Francisco Planning Commission approves $1.5B Treasure Island development in close vote

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SAN FRANCISCO (AP) - A man-made island in San Francisco Bay originally built as a New Deal project moved a step closer to becoming a new neighborhood after planners approved the $1.5 billion project.

San Francisco's Planning Commission voted 4-3 on Thursday to approve the project on Treasure Island, which is located between the city and Oakland and serves as the mid-point for the Bay Bridge.

Developers want to build a full-service, high-rise community on the 400-acre island that would include 8,000 residential units, including affordable housing, parks, hotels and more.

The island was created for the 1939 World Expo to offer a view of the new Golden Gate and Bay Bridges.

During World War II, it was used by the U.S. Navy, which built a base there and recently transferred the island to San Francisco's control.

People reach the island by driving halfway over the Bay Bridge, and exiting at Yerba Buena Island, then to Treasure Island. About 15,000 people live in the art deco buildings once used by the Navy.

Still, critics say the island built from dredged seabed materials would not fare well in an earthquake and that the project would increase traffic on the already congested San Francisco-Oakland Bay Bridge.

Supporters say developing the 400 acres in the middle of San Francisco Bay is a unique opportunity to create a modern, environmentally sustainable urban neighborhood.

The plan is far from finalized, and will be next considered by San Francisco's Board of Supervisors. The 4-3 split in the planning commission vote was split along political lines, with the mayor's appointees voting in favor and members appointed by the board voting against.

The Examiner
sfexaminer.com

Published on *San Francisco Examiner* (http://www.sfexaminer.com)

San Francisco's Treasure Island project moves forward with vote of approval

Comments (0)

San Francisco's Planning Commission approved a $1.5 billion redevelopment of Treasure Island. (Examiner file photo)

San Francisco's Planning Commission on Thursday advanced the massive redevelopment of Treasure Island by a 4-3 vote, approving the $1.5 billion project's environmental impact report.

The report was unanimously approved by the Treasure Island Development Authority, which held a joint hearing with the Planning Commission for more than three hours. Voting to send the impact report back for review were planning commissioners Kathrin Moore and Hisashi Sugaya and commission President Christina Olague.

A long line of public speakers —mostly in favor of adding 8,000 new residences to the island — touted the project's inclusion of affordable housing, job creation and potential to make the former U.S. Navy base a transit-oriented, self-contained community.

Opponents, including the Sierra Club and the San Francisco Green Party, called for the document to be redone, contending the amount of allowable car parking is too high, traffic is already a nightmare on the Bay Bridge and the tsunami danger has not been properly addressed.

Earlier this month, planners freed the project from funding through The City's Redevelopment Agency in response to Gov. Jerry Brown's efforts to eliminate the agencies statewide. Instead, an infrastructure financing district would be set up to allow The City to borrow against future tax revenue that comes from redevelopment.

The financial restructuring resulted in the loss of 400 of the 2,400 planned units that could be made affordable, but several members of the Treasure Island Homeless Development Initiative said changes to state law could get the units back into the plan.

Planning Commissioner Michael Antonini said recent setbacks to the plan's affordable housing units still put Treasure Island above requirements in San Francisco, and that plans to compact the island's low-lying surface with 1.1 million cubic yards of new material will raise it above the level of downtown.

Aaron Peskin, a former Board of Supervisors president, said the project should not be trusted to deliver on its many promises.

"The public benefits have been eroded," Peskin said.

The impact report is now set to go before two Board of Supervisors committees in May, and likely the full board by June. If the project wins approval, ground could be broken by 2012.

dschreiber@sfexaminer.com

Development Local Planning Commission redevelopment san francisco Treasure Island

Source URL: http://www.sfexaminer.com/local/2011/04/san-franciscos-treasure-island-project-moves-forward-vote-approval

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April 8, 2011

Planning Department
1650 Mission Street, 4th Floor
San Francisco, CA 94103

Treasure Island Development Authority
1 Avenue of the Palms, 2nd Floor
San Francisco, CA 94130

Supervisor Jane Kim
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, Ca. 94102

Mayor Edwin M. Lee
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dept. of Housing and Urban Development
600 Harrison Street, 3rd Floor
San Francisco, CA 94107-1300

RE: Treasure Island Redevelopment Project

All -

I am a resident of Treasure Island and I would like to comment about the proposed redevelopment project.

Please be advised that many of the current residents of Treasure Island today are comprised of low and moderate income households. Many are people of color, some are non-native English speakers.

In my neighborhood alone, there are at least 3 units with people living with disability. Most of Treasure Island's residents today are at risk of becoming displaced from San Francisco if they have to pay rent at prevailing market rate. With these things in mind, I would like to ask your offices to consider the following:

- Please provide timely and accurate information to the public about how Treasure Island's redevelopment project will impact current residents.
- Please provide information to current Treasure Island residents if there will be reserved units for them should they wish to return to the Island after it is redeveloped, in accordance to their current lease agreements with their landlords.
- Please provide information to current Treasure Island residents any information about any type of assistance for transition to a temporary location during the redevelopment of the Island. How, when and where?

Many San Francisco residents at Treasure Island are about to be displaced – and we can only hope that your offices will do the right thing to ensure that the voices of the Island's current residents are heard. Please conduct a very careful study of what the current housing needs are in San Francisco. Today, there are many vacant "affordable" housing units for sale in districts 6 and 10, but yet, the low and middle income households are still unable to buy those units.

Finally, I would like to encourage you to personally pick-up your telephone today call 311, and try to find an affordable rental apartment in San Francisco, so you can get some sense of reality.

Sincerely,

Treasure Island Resident

CA island affords rare chance for city expansion

(AP) – 1 day ago

SAN FRANCISCO (AP) — Created in the 1930s in San Francisco Bay, Treasure Island is said to have earned its name from the gold some imagined was hidden in dredged materials that form its foundation, as well as the exotic valuables displayed there for the 1939 Golden Gate International Exposition.

Developers have continued to view the 400-acre former Navy base as a precious commodity, and a proposal to turn it into a bustling residential and commercial enclave recently cleared a major hurdle when it was narrowly approved by the city Planning Commission.

The plan includes nearly 8,000 new homes, 140,000 square feet of retail space and 300 acres of public open space — a drastic change to a neighborhood that now has fewer than 2,000 full-time residents and just two restaurants.

Supporters say the 15-year project would finally tap the island's potential and provide a rare expansion opportunity for a city surrounded by water on three sides.

Opponents counter that the population boom would put a significant strain on the environment and create a traffic nightmare on the Bay Bridge, one of the region's primary transit arteries and the only way to reach the island by car.

Some current residents and commercial tenants are eager for change, describing the island as a gem that remains far too hidden.

Mark Connors moved to the island about seven years ago for its affordable rent and abundant fresh air, but it was the prospect of redevelopment that kept him and his husband from leaving.

"The island itself needs some work, new infrastructure," said Connors, 51, who acknowledged some concerns about increased bridge traffic. "This is going to be a great city planning experiment, and I think we're all going to learn a lot as it comes together."

Alexis Valerio, director of business development for The Winery SF, one of the island's best-known businesses, said the project would bring new life to the island.

The winery, which occupies a 20,000-square-foot former clipper ship hangar, would likely have to find a new home if the plan is adopted, but Valerio said she still supports the "big picture" benefits for the island.

If the April 21 city Planning Commission meeting was any indication, members of the Board of Supervisors could be in for a long, intense debate when they take up the issue in June.

The commission spent six hours scrutinizing the plan, eventually splitting down political lines, with four mayoral appointees voting for the plan and three members appointed by the board voting against it.

After the 1939 exposition, Treasure Island was supposed to become San Francisco's first airport. But the Navy saw it as an ideal site for a base during World War II and offered the city a trade for a larger parcel of land in South San Francisco.

Since the base closed in 1997, the island has seen the arrival of several wineries, an occasional Gaelic football match and production crews for "Indiana Jones and the Last Crusade," "MythBusters" and other films and TV shows. Plans to build a theme park, casino and luxury golf courses all have failed to gain traction.

The latest proposal has the endorsement of Mayor Edwin Lee, who was appointed in January after former Mayor Gavin Newsom was sworn in as lieutenant governor. Newsom was a vocal proponent of island redevelopment.

"The Treasure Island project will create a new, unique San Francisco neighborhood that has broken new ground with smart design elements that respond to the challenges of developing on an island," Lee said.

Those challenges include making sure the manmade island can withstand earthquakes, tsunamis and rises in sea level.

The development team, which includes Wilson Meany Sullivan, Lennar Urban and Kenwood Investments, has proposed some ambitious solutions, including crushing more than a million cubic yards of fill into the ground and elevating new building pads, streets and infrastructure several feet to protect against flooding.

Developers also point to environmentally sustainable features such as a system to recycle water, buildings and streets angled to maximize sun exposure and reduce wind, and various offerings to encourage the use of public transportation, including a new ferry terminal and subsidized transit service.

"At Treasure Island, you have a unique opportunity to address sustainability not as an afterthought but in the very formulation of the place," said Chris Meany of Wilson Meany Sullivan, one of the developers.

Critics say the question is not how green the island will be, but how the addition of 19,000 new residents will affect the larger San Francisco Bay area.

"What Treasure Island represents is a concept of sustainability that's specific to the island itself, but not the region," said Saul Bloom, executive director of Arc Ecology, a nonprofit environmental group.

Of particular concern is the potential addition of thousands of commuters to the already congested Bay Bridge.

"If you could choose one place in the entire Bay Area to completely mess up traffic, that would be it," said Tom Radulovich, executive director of Livable City, a group that promotes transportation reform in San Francisco.

Livable City and other groups have criticized the amount of parking contained in the plan — one spot per residential unit. That does little to encourage people to embrace alternative means of transportation, Radulovich said.

Meany argues the population of the San Francisco Bay Area is growing whether or not his project becomes reality. Treasure Island's close proximity to downtown San Francisco — five to 10 minutes by car or ferry — makes it an ideal location to absorb some of that growth, he said.

"The issue here is we have people, they need to be accommodated, and we know that if we continue to allow our region to sprawl, the negative impacts will be amplified," Meany said.

Environmental concerns will likely be a major focus when the Board of Supervisors takes up the plan.

Another contentious issue will be a recent change in the project's quota for affordable housing. Currently, 25 percent of the 8,000 planned units would have to be set aside for low-income residents, down from the original requirement of 30 percent.

The shift is a result of Gov. Jerry Brown's proposal to eliminate redevelopment agencies to save the state money. Infrastructure improvements on the island would cost an estimated $1.5 billion, and San Francisco was counting on redevelopment funds to cover one-third of those costs. The remaining two-thirds would come from developers and tax revenues from the future residents.

With redevelopment money temporarily off the table, the city plans to pay for the project using infrastructure financing districts, in which property tax revenues are diverted to fund improvements to public property. However, that mechanism was not expected to generate enough money to pay for 30 percent affordable housing.

Lee said he is committed to restoring the original affordable housing quota and already has begun lobbying the state for additional funding.

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The Examiner
sfexaminer.com

Published on *San Francisco Examiner* (http://www.sfexaminer.com)

By *Joshua Sabatini*
Created *May 2 2011 - 6:41pm*

Treasure Island redevelopment clears first Board of Supervisors hurdle

Comments (0)

The Board of Supervisors Land Use and Economic Development Committee approved Monday the proposed redevelopment of Treasure Island. Years in the making, the proposal would construct 8,000 residential units, 140,000 square feet of retail space, 100,000 square feet of commercial space, and 300 acres of parks and open space. It also includes a police and fire station, a school and a 500-room hotel. At least 25 percent of the units, or 2,000, will be offered at below market rates.

The board's budget finance committee will hold a hearing next week, Wednesday, on the plan's financial agreements. The full board is expected to vote on the proposal for the first time on May 17.

"I can't think of a project that has been more thoroughly thought through," Supervisor Scott Wiener said. "I am quite supportive of this project."

Under the Dome Board of Supervisors san francisco Scott Wiener Treasure Island

Source URL: http://www.sfexaminer.com/blogs/under-dome/2011/05/treasure-island-redevelopment-clears-first-board-supervisors-hurdle

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S.F. tops $1 million in taxpayer campaign financing

Phillip Matier,Andrew Ross
Monday, May 2, 2011

KAISER PERMANENTE.

San Francisco just passed the million-dollar mark in taxpayer cash financing the politicos in this year's mayoral race.

That's enough to pay the yearly salaries of eight cops or nurses, or a dozen city gardeners.

Topping the list of those in the money is former Supervisor **Bevan Dufty**, who has picked up $452,044 in public matching funds for his campaign.

Dufty is followed closely by City Attorney **Dennis Herrera**, with $422,612, and state Sen. **Leland Yee**, at $246,002.

Under the mayoral portion of the public financing law, adopted by the Board of Supervisors, the city chips in $4 for every dollar over $25,000 a candidate raises.

After $125,000, the city matches the candidate's money dollar for dollar.

Dufty has raised $127,044, which, with the city's help, he has parlayed into a total pot of $579,088.

So far, 32 potential candidates have taken out papers to run, and the August filing deadline is more than three months away. By the time the November election rolls around, the city will probably have shelled out $6 million to $8 million, Ethics Commission Director **John St. Croix** says.

As for how the candidates justify taking the money in these lean times?

"I recognize it's taxpayer money ... but it's worth it," Dufty said. "My 2,000 San Francisco donors (used to qualify for city dollars) balance out the big money that could come into this race."

Herrera told us, "This is the system that all the candidates are operating under. And it was designed to limit the influence of special-interest and big-money contributors."

Yee, who raised and spent more than $1 million in his uncontested bid for re-election to the state Senate in November, said, "The general sense is the voters wanted a level playing field."

What's more, Yee said, the system is working.

"Rather than raising money, I'm out talking to hundreds of people about the issues that concern them."

Legal muscle: A closed-door Oakland City Council session has been set for Tuesday to discuss possible legal sanctions against Mayor **Jean Quan**'s personal lawyer and adviser, **Dan Siegel**.

At issue: whether Siegel, an attorney in private practice with no official portfolio at City Hall, overstepped his authority when he recently took part in a meeting called by U.S. District Judge **Thelton Henderson** to discuss the city's long-running police consent decree.

"If accurate, not only is it not acceptable, but it's illegal," fumed Councilman **Ignacio De La Fuente**, who reportedly exchanged sharp words with Quan last week after learning about Siegel's presence at the April 12 meeting.

The issue is especially sensitive to the cops, given Siegel's vocal criticisms of the department's handling of everything from street protests to gang injunctions.

"I went to the meeting to look out for the mayor's interest," Siegel said.

Ford's future: After a brief respite, Muni chief **Nathaniel Ford** is once again feeling the heat from City Hall.

The issue: Ford's repeated attempts to jump ship, once to Los Angeles and twice to Washington, D.C.

Ford, who has two years left on his contract, is not willing to guarantee he'll stay if another offer comes his way - especially since a new mayor may be rolling into Room 200 in January.

The city wants him to stick around until the current union negotiations are done. Then there would be an amicable separation and a buyout of his remaining contract.

But that may come sooner, if Ford makes the call - or if the city decides it's not worth the wait.

"We've said from the start that we want someone who is 150 percent committed," said one City Hall higher-up. "We aren't interested in temporary appointments."

Island fever: Aaron Peskin, the ex-Board of Supervisors president and now chairman of the county Democratic Party, is once again feverishly dialing and texting San Francisco officials.

This time, he's trying to derail the big Treasure Island deal.

Peskin, who as a supervisor was notorious for his middle-of-night phone rants to department heads, called the proposed high-rise plan that just squeaked by the Planning Commission a "laughingstock mistake."

"It will horrify San Francisco and the Bay Area for decades to come," Peskin said.

So he has been blasting away with phone messages and texts - sometimes even as the officials are testifying at city meetings.

EXTRA! Catch our blog at www.sfgate.com/matierandross.

Chronicle columnists Phillip Matier and Andrew Ross appear Sundays, Mondays and Wednesdays. Matier can be seen on the KPIX-TV morning and evening news. He can also be heard on KCBS radio Monday through Friday at 7:50 a.m. and 5:50 p.m. Got a tip? Call (415) 777-8815 or e-mail matierandross@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/05/02/BA411J9S1F.DTL

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Print Page

National Safe Boating Week at Treasure Island Sailing Center

Saturday, May 21 11:00a to 4:00p

at Treasure Island Sailing Center, San Francisco, CA

Want to know the best ways to stay safe on the water?

Join Treasure Island Sailing Center on Saturday, May 21, for National Safe Boating Week and learn simple practices for water safety. Vessel safety checks, safety demos, proper life jacket fit, safe boating information, boat tours, fire boat water display....

Price: Free: an optional barbecue lunch will be available for $3 per person, $10 for families of four, with scholarships available for those in need.

Categories: Fairs & Festivals, Recreation

Location & Nearby Info

Treasure Island Sailing Center, 698 California Avenue Bldg. #112, on Treasure Island, San Francisco, CA, 94130

Full map and directions

Show nearby:

Bars Hotels

SFBG
SAN FRANCISCO BAY GUARDIAN ONLINE
Published on *San Francisco Bay Guardian* (http://www.sfbg.com)

Editorial: Reject the Treasure Island plan

By *jackie*
Created *04/26/2011 - 2:19pm*

After a long, long hearing April 21, as the San Francisco Planning Commission prepared to vote on an ambitious development plan for Treasure Island, Commissioner Gwyneth Borden acknowledged that the plan wasn't perfect. But, she said, on balance it ought to be approved: "Twenty five percent affordable housing is better than zero percent."

That's not necessarily true.

Treasure Island is an usual piece of real estate, 403 acres of artificial land created in 1937 by dumping sand and dirt on a shallow part of the bay. It's less than two miles from downtown San Francisco — but there's no rail service, no BART station. The only way off the island is by boat — or by driving onto a Bay Bridge that's already jammed way beyond capacity every morning and afternoon.

The soil is unstable, prone to liquefying in an earthquake — and if sea levels rise as high as some predictions suggest, the whole place could be underwater in a few decades.

A strange hybrid agency called the Treasure Island Development Authority, created by former Mayor Willie Brown, cut a deal with Lennar Urban (the same outfit that has the redevelopment deal for Bayview Hunters Point) and several partners to construct a neighborhood of some 19,000 people on the island. Among the features: a 450-foot condominium tower and 6,000 units of high-end housing. The developers brag that a fleet of new ferries will offer a 13-minute ride to the city and that some streets will be designed for pedestrians and bicycles.

But the fact remains that the developers want to add 19,000 new residents — almost all of whom will work off the island somewhere — to a place that has no credible transportation system. City studies show that even with an extensive (and costly) ferry service, at least half the new residents would drive cars to work (and, presumably, to shop, and go to movies, and eat and drink), joining the mob of vehicles heading east or west on the bridge. That's almost 10,000 new cars each day trying to jam onto a roadway that can't handle the existing traffic. The backups would stretch well onto San Francisco surface streets and as far back as Berkeley.

A rail line on the Bay Bridge would solve part of the problem. So would bike lanes. Neither option is even remotely possible in the foreseeable future. Free, or heavily subsidized ferries could, indeed, be a positive alternative — but who is going to pay for that service? Nonsubsidized ferries would be far more expensive than current Muni or BART service, a

particular burden on the residents of the below-market housing.) And does anybody really think there's going to be enough ferry capacity to carry 10,000 people a day to downtown SF, the East Bay, and the Peninsula?

The bottom line: this isn't a good deal for San Francisco. The affordable housing level is too low. The transportation problems are nightmarish. The last thing Treasure Island needs is a 450-foot tower.

There's no rush to approve this — and no immediate downside to waiting for a better deal. The supervisors should tell Lennar to come back with a project that has fewer residents, better transit options, and more affordable housing. Because zero is looking a lot better than what's on the table.

PS: The 4-3 Planning Commission vote demonstrated exactly why it's important to have key commission appointments split between the mayor and the Board of Supervisors. The mayoral appointees all rolled over — but at least the board-appointed members made strong points, forced real debate, and gave the supervisors plenty of ammunition to demand a better deal. *

Source URL: http://www.sfbg.com/bruce/2011/04/26/editorial-reject-treasure-island-plan

ity and County of San Francisco
epartment of Building Inspection

Edwin M. Lee, Mayor
Vivian L. Day, C.B.O., Director

May 2, 2011

Ms. Mirian Saez
Director of Treasure Island Operations
One Avenue of Palms, 2nd Floor
Treasure Island, CA 94130

Subject: Temporary Art Figurines Work

Dear Ms. Saez:

The Department of Building Inspection (DBI) has concluded its plan review of the proposed Art Figurines work. We are please to inform you that we have found the proposed work to be in general conformance with the 2010 San Francisco Building Code.

Attached is our permit fee based on the construction valuation of the project. Please work with our Finance Deputy Director Ms. Pamela Levin for the fund transfer to DBI work order per agreement with the Treasure Island Authority.

If you have any questions or comments, please do not hesitate to contact the undersigned.

Sincerely,

Tom Hui

Tom Hui, S.E.
Building Plans Engineer
Plan Review Services

cc: Vivian L. Day, C.B.O., Director
Pamela Levin, Deputy Director for Administrative Services
Laurence Kornfield, Deputy Director for Permit Services
Hanson Tom, Manager, Plan Review Services

AGENDA ITEMS 6b
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Frantic, Inc. for Building 3 (Action Item)

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

In fall of 2010, Project Office staff was approached by Frantic Inc, ("Frantic") an established local production company, proposing use of Hangar 3 for the period of July 1, 2011 through September 13, 2011. Frantic wishes to utilize the hangar space at Building 3 for construction of staging, lighting and temporary fixtures used in video and musical productions, and the subsequent use of these elements in live amplified musical rehearsal in preparation for a variety of Frantic's upcoming traveling productions. The large clear-span hangar space at Building 3 proves ideal for such large scale stage construction, rigging and lighting needs, and the ability to utilize such a space is ideal for Frantic's pre-production activities. Approximately 50 to 75 employees would be on-site during the occupancy.

USE PERMIT TERMS AND CONDITIONS

Frantic will sign the Authority's standard form Use Permit document. The salient terms and conditions of the proposed Permit include the following:

Premises:	Exclusive use of Building 3, 600 California Avenue, and non-exclusive use of the adjacent parking area.
Term:	Commencement: July 1, 2011 Expiration: September 13, 2011
Permit Fee:	$80,000
Use:	Construction of staging, lighting and temporary fixtures used in video and musical productions, and the subsequent use of these elements in live amplified musical rehearsal.
Security Deposit:	$40,000

PROPOSED PERMIT FEE

Under the Authority's Interim Real Estate Policy, the Minimum Rental Rate Schedule sets ranges of minimum monthly rental rates per square foot (PSF) by type of use and facility for office and industrial space. Project Office staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule in December 2010, by Resolution No. 10-47-12/08. Per the Schedule, the minimum monthly rental rate for space at Building 3 is $.10 PSF. Due to the extended term of the Use Permit, Authority Staff and Frantic have negotiated a Permit Fee for the Term of the Permit equivalent to a rate of $0.78 PSF for use of Hangar 3.

Frantic has proposed that should the Permit be revoked by the Authority without cause, the Permit Fee shall be refunded to Frantic on a pro-rated basis based on the timing of revocation during the Term of the Permit. This revised language is contained in Section 12 of the Use Permit, is a condition agreeable to Project Office staff and has been reviewed by the Office of the City Attorney.

Frantic has also proposed revisions to Section 20.3 - Permittee's Indemnity. These proposed revisions are agreeable to Project Office staff, and have been reviewed and approved by the City's Risk Manager and the Office of the City Attorney.

FINANCIAL IMPACT
This event will provide the Authority with $80,000 in Revenue in FY2011-2012.

RECOMMENDATION
Staff recommends approval and authorization for the Director of Island Operations or her designee to execute a Use Permits with Frantic Inc. use of Hangar 3 from the period July 1, 2011 through September 13, 2011.

Exhibit A: Use Permit between TIDA and Frantic Inc.

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

[Use Permit with Frantic, Inc.]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO EXECUTE A USE PERMIT WITH FRANTIC INC., A CALIFORNIA CORPORATION, FOR BUILDING 3

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Under the proposed Use Permit, Frantic, Inc., a California Corporation, is requesting to use Building 3, 600 California Avenue on Treasure Island, commencing July 1, 2011 and terminating September 13, 2011, with a Permit Fee of $80,000, for the sole purpose of construction of staging, lighting and temporary fixtures used in video and musical productions, and the subsequent use of these elements in live amplified musical rehearsal; and,

WHEREAS, Per the Authority's Rental Rate Schedule, the minimum monthly rental rate for space at Building 3 is $.10 PSF; and,

WHEREAS, Due to the extended term of the Use Permit, Authority Staff and Frantic have negotiated a Permit Fee for the Term of the Permit equivalent to a rate of $0.78 PSF for use of Hangar 3; and,

WHEREAS, Authority Staff believes that the proposed Permit Fee of $80,000 represents fair market value for this Use Permit at this time based on guaranteed revenue derived from the extended occupancy of Building 3; and,

WHEREAS, Frantic has requested revision to the Use Permit language regarding Permittee Indemnity, and

WHEREAS, this proposed revision has been reviewed and approved by the Office of the Risk Manager of the City and County of San Francisco; and

WHEREAS, Frantic has requested a pro-rated refund of the Permit Fee for this Use Permit in the event the Use Permit is revoked without cause by the Authority; and

WHEREAS, Staff is amenable to these proposed revisions to the standard form of the Use Permit; now, therefore be it

RESOLVED, That the Board of Directors hereby approves the Use Permit with Frantic, Inc., a California Corporation, for use of Hangar 3 for a term commencing July 1, 2011 and terminating September 13, 2011, at a Permit Fee of $80,000 and authorizes the Director of Island Operations or her designee to execute said Use Permit in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Use Permit are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Use Permit that the Director of Island Operations determines in

consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Use Permit, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

P-360
USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of May 1, 2011, is made by and between the Treasure Island Development Authority ("Authority") and Frantic Inc, a California Corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for South Waterfront Naval Station Treasure Island by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	Frantic Inc, a California Corporation
Premises (Section 2):	Approximately One Hundred One Thousand Five Hundred and Twenty (101,520) square feet of Hangar 3 and non-exclusive use of a portion of the adjacent parking lot located on the east side of Hanger 3, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	"Seismic Evaluation of Buildings 2 and 3: Volume I – Project Report" prepared for the City and County of San Francisco by SOH & Associates, July 19, 1996.

Permitted Use (Section 6):	Construction and use of sets, lighting and temporary fixtures used in video and musical productions, stage construction, live amplified musical performance and associated activities, all for private purposes only, and for no other purpose whatsoever.
Parking Rights (Section 7):	Up to one hundred fifty (150) vehicles may be parked on the Premesis.
Permit Fees (Section 11):	Eighty Thousand Dollars ($80,000)
Term (Section 12):	Commencement Date and Time: July 1, 2011 Expiration Date and Time: September 13, 2011
Utilities (Section 19):	Not applicable.
Additional Permittee Requirements:	This Use Permit is issued only upon compliance with the following requirements, subject to review by the Authority and the applicable City and County of San Francisco permitting departments: • Proof of issuance of all permits required by San Francisco Fire Department and Department of Building Inspection relating to open flame, hazardous material storage, and temporary construction. • Permittee shall be responsible for providing trash, recycling and composting service at Premises for duration of Term.

Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $3,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority One Avenue of the Palms 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	Frantic, Inc. c/o Provident Financial Services 2020 Union Street San Francisco, CA 94123 Attn.: Wendy/Dan Braun Phone No.: 360-816-7000 Fax No.: 360-816-7001
Security Deposit (Section 33):	Forty Thousand Dollars ($40,000)

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report**. Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises**. Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or

through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage the use of public transportation, ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises. Information about public transportation servicing former Naval Station Treasure Island is attached to this Permit as Exhibit H. Further public transportation information is also available on-line at http://www.511.org.

8. **Resource Conservation and Sustainability**. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and shall conduct its operations in accordance with all applicable environmental laws.

California State Bill, AB 2176 (Montanez, Chapter 879, Statutes of 2004) and the San Francisco Environment Code require all operators of large events to maximize recycling and minimize waste in order to achieve high rates of landfill diversion. If Permittee's use of the Premises will host over 1,000 people, Permittee shall comply with the following requirements not later than thirty (30) days prior to the scheduled event:

A. Submit a recycling and waste reduction plan to the Treasure Island Event Coordinator.

B. Provide proof of attendance at an event recycling workshop or hire an approved event recycling crew. Contact the SF Department of the Environment's recycling program at 355-3754 for more information on workshops and approved recycling services.

C. Submit proof of recycling, trash and composting (if applicable) collection services. Proof of service can be obtained from the permitted refuse hauler, Golden Gate Disposal and Recycling (www.sfrecycling.com or 330-1300).

9. Subject to Authority and City Uses. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. Alterations. Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 4.2 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. Permit Fee. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time and without cause. Should the Permit be revoked by Authority without cause, Authority shall refund the Permit Fee on a prorated basis.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations and regulating the posting of signs on public property. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. **Security**. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. **Rules and Regulations**. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. **Surrender; No Holding Over**. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

If Permittee fails to surrender the Premises to Authority upon the expiration or earlier termination of this Permit as required by this Section, Permittee shall indemnify, protect, defend and hold harmless forever ("Indemnify") Authority against all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") resulting therefrom, including, without limitation, Losses made by a succeeding permittee resulting from Permittee's failure to surrender the Premises. Permittee shall have no right to hold over without the prior written consent of Authority, which consent may be withheld in Permittee's sole and absolute discretion. If Permittee holds over the Premises or any part thereof after expiration or earlier termination of this Permit, such holding over shall be terminable upon written notice by Permittee, and the Permit Fee shall be increased to two hundred percent (200%) of the Permit Fee in effect immediately prior to such holding over, calculated on a per diem basis, and such holdover shall otherwise be on all the other terms and conditions of this Permit. This Section shall not be construed as Authority's permission for Permittee to hold over. Acceptance of any holdover Permit Fee by Authority following expiration or termination of this Permit shall not constitute an extension or renewal of this Permit.

17. **Repair of Damage**. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. **Public Safety**. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. **Utilities**. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. **Release and Waiver of Claims; Indemnification**

20.1. **Release and Waiver of Claims**. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES,

WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3 Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall Indemnify the Authority from and against any and all Losses (expressly including without limitation, reasonable fees of attorneys, consultants and experts and related costs and the Authority's costs of investigating any such Losses) actually or reasonably incurred by the Authority by reason of any act performed or omitted to be performed by Permittee or Permittee's Agents in connection with or arising directly or indirectly out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee, Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management of the Premises or any Alterations thereof by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees; provided, in each case, that such Loss or claim is not caused by or

the result of the gross negligence, willful misconduct or intentional wrongful acts and omissions of the Authority. The Permittee and the Authority hereby agree that the forgoing Indemnity shall not be enforceable to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within the indemnity in this Section 20.3 even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section 20.3 shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. **Permittee's Insurance**. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Permittee has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. **Claims Made Policy.** Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. **Annual Aggregate Limit.** Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. **Additional Insureds.** Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. **Payment of Premiums.** Permittee shall pay all the premiums for maintaining all required insurance.

21.6. **Waiver of Subrogation Rights.** Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. **General Insurance Matters.**

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. **No Limitation on Indemnities.** Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. **Lapse of Insurance.** Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. **Permittee's Personal Property**. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. **No Assignment**. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. **No Joint Venture or Partnership; Independent Contractor**. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. **Impossibility of Performance**. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. **Possessory Interest Taxes; Payment of Taxes**. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. **Notices**. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. Non-Discrimination.

28.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. No Tobacco Advertising. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any

cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. **Conflicts of Interest**. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. **Food Service Waste Reduction**. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. This ordinance prohibits the use of polystyrene foam disposable food service ware and requires the use of compostable or recyclable food service ware by anyone serving food in San Francisco. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

33. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. **Notification of Limitations on Contributions.** Through its execution of this Permit, Permittee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of

either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Permittee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Permittee's board of directors; Permittee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Permittee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Permittee. Additionally, Permittee acknowledges that Permittee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

35. **Intellectual Property; Music Broadcasting Rights**. Permittee shall be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights. (Note to Permittee: To obtain the appropriate music performance license, you may contact the BMI Licensing Executive toll free at 1-877-264-2137 Monday – Friday, 9-5 p.m. (Central Time) and the American Society of Composers, Authors and Publishers ("ASCAP") at 1-800-505-4052 Monday – Friday, 9-5 p.m. (Eastern Time)).

36. **TIHDI Job Broker**. **Permittee** shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit G.

37. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

[Remainder of page left blank intentionally]

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

Frantic, Inc., a California corporation

By: _____

Name:_____

Title:_____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By:_____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

EXHIBIT A

Master Lease between TIDA and United States Navy for South Waterfront Naval Station Treasure Island.

EXHIBIT B

Premises

EXHIBIT C

"*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco – August, 1995

EXHIBIT D

Structural Report

The Structural Report, among other matters, notes that during an earthquake of magnitude 7 or greater, the buildings and any other structures or improvements located on or about the Premises may not provide life-safety for occupants in the event of an earthquake.

EXHIBIT E

Security

EXHIBIT F

Rules and Regulations

EXHIBIT G

TIHDI Job Broker Program

EXHIBIT H

Public Transportation Information

AGENDA ITEM 6c
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Thirty Fifth Amendment to the Treasure Island Land and Structures Master Lease between the Authority and the Navy to Extend the Term (*Action Item*)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On November 19, 1998, the Treasure Island Development Authority (the "Authority") entered into Lease Agreement N6247499RP42P12 with the United States Navy (as amended from time to time, the "Land and Structures Master Lease"). The lease premises include certain buildings and grounds on former Naval Station Treasure Island, including land leased to San Francisco Little League and several facilities in the Authority's commercial leasing portfolio, as well as areas that are subleased to Rubicon Enterprises to support landscape operations on Treasure Island and Yerba Buena Island. The Authority does not pay any base rent under the Land and Structures Master Lease.

The term of the Land and Structures Master Lease will expire November 30, 2011. The proposed Thirty Fifth Amendment extends the term through November 30, 2012 on the same terms and conditions as the existing Land and Structures Master Lease. The Authority's Bylaws require that subsequent to Authority Board approval, this Thirty Fifth Amendment is subject to approval by the San Francisco Board of Supervisors as it is an agreement with a term of 10 years or longer.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority.

RECOMMENDATION

Project Staff recommends approval of the Thirty Fifth Amendment to the Land and Structures Master Lease Agreement N6247499RP42P12 to extend the term for the period commencing on December 1, 2011 and expiring on November 30, 2012.

Prepared by Peter Summerville
for Mirian Saez, Director Island Operations

[Amendment to Navy Land and Structures Lease Agreement N6247499RP42P12]

RESOLUTION AUTHORIZING THE THIRTY FIFTH AMENDMENT TO THE TREASURE ISLAND LAND AND STRUCTURES MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO EXTEND THE TERM.

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated November 19, 1998, for the Authority to use and rent out certain land and structures in certain areas of Treasure Island (as amended from time to time, the "Land and Structures Master Lease") at no rent; and,

WHEREAS, The Land and Structures Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Land and Structures Master Lease expires on November 30, 2011; and,

WHEREAS, The Authority wishes to extend the term of such lease for a period of one (1) year beginning on December 1, 2011 and ending on November 30, 2012, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Land and Structures Master Lease in substantially the form attached hereto as Exhibit A, subject to Board of Supervisors approval of the amendment as required under the Authority's Bylaws; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the amendment that the Director of Island Operations determines in consultation with the City

Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

THIRTY FIFTH AMENDMENT
TO LEASE AGREEMENT N6247499RP42P12
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 19 November 1998, entered into Lease Agreement N6247499RP42P12 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247499RP42P12 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect..

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 6d
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Fifteenth Amendment to the Treasure Island Marina Master Lease between the Authority and the Navy to Extend the Term (Action Item)

Contact Mirian Saez, Director of Island Operations

Phone (415) 274-0660

BACKGROUND

On September 4, 1998, the Treasure Island Development Authority ("Authority") entered into Lease Number N6247498RP00Q01 with the United States Navy (as amended from time to time, the "Marina Master Lease"). The lease premises include certain land and buildings, including the Treasure Island Marina, the marina boat slips and the Treasure Island Yacht Club. The Authority does not pay any base rent under the Marina Master Lease.

The term of the Marina Master Lease will expire on November 30, 2011. The proposed Fifteenth Amendment will extend the term to November 30, 2012 on the same terms and conditions as the existing Marina Master Lease. The Authority's Bylaws require that subsequent to Authority Board approval, this Fifteenth Amendment is subject to approval by the San Francisco Board of Supervisors as it is an agreement with a term of 10 years or longer.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority.

RECOMMENDATION

Project Staff recommends approval of the Fifteenth Amendment to Marina Master Lease Agreement N6247498RP00Q01 to extend the term for the period commencing December 1, 2011 and expiring on November 30, 2012

Prepared by Peter Summerville
for Mirian Saez, Director Island Operations

[Amendment to Navy Treasure Island Marina Master Lease N6247498RP00Q01]

RESOLUTION AUTHORIZING THE FIFTEENTH AMENDMENT TO THE TREASURE ISLAND MARINA MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO EXTEND THE TERM.

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and structures, the marina and marina boat slips in the marina area of Treasure Island (as amended from time to time, the "Treasure Island Marina Master Lease") at no rent; and,

WHEREAS, The Treasure Island Marina Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Treasure Island Marina Master Lease expires on November 30, 2011; and,

WHEREAS, The Authority wishes to extend the term of such lease from December 1, 2011 and ending on November 30, 2012, unless sooner terminated in accordance with the terms and conditions of the Treasure Island Marina Master Lease; and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Treasure Island Marina Master Lease in

substantially the form attached hereto as Exhibit A, subject to the Board of Supervisors approval of the amendment as required under the Authority's Bylaws; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

FIFTEENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q01
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q01 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q01 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 6e
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Twenty Third Amendment to the Treasure Island Event Venues Master Lease between the Authority and the Navy to Extend the Term (Action Item)

Contact Mirian Saez, Director of Island Operations

Phone (415) 274-0660

BACKGROUND

On September 4, 1998, the Treasure Island Development Authority ("Authority") entered into lease agreement N6247498RP00Q03 with the United States Navy (the "Event Venues Master Lease") for certain land and structures on former Naval Station Treasure Island. The lease premises include event venues managed by the Joint Venture between TIHDI, Toolworks and Wine Valley Catering, as well as the Treasure Island Great Lawn. The Authority does not pay any base rent under the Event Venues Master Lease.

The term of the Event Venues Master Lease will expire on November 30, 2011. The proposed Twenty Third Amendment will extend the term to November 30, 2012 on the same terms and conditions as the existing Event Venues Master Lease. The Authority's Bylaws dictate that subsequent to Authority Board approval, this Twenty Third Amendment is subject to approval by the San Francisco Board of Supervisors as it is an agreement with a term of 10 years or longer.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority.

RECOMMENDATION

Project Staff recommends approval of the Twenty Third Amendment to the Event Venues Master Lease Agreement N6247498RP00Q03 to extend the term for the period commencing December 1, 2011 and expiring on November 30, 2012.

Prepared by Peter Summerville
for Mirian Saez, Director Island Operations

[Amendment to Navy Event Venues Master Lease N6247498RP00Q03]

RESOLUTION AUTHORIZING THE TWENTY THIRD AMENDMENT TO THE TREASURE ISLAND EVENT VENUES MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO EXTEND THE TERM.

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and sublease certain land and structures in the Event Venues area of Treasure Island (as amended from time to time, the "Event Venues Master Lease") at no rent; and,

WHEREAS, The Event Venues Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Event Venues Master Lease expires on November 30, 2011; and,

WHEREAS, The Authority wishes to extend the term of such lease for a term beginning on December 1, 2011 and ending on November 30, 2012, unless sooner terminated in accordance with the terms and conditions of the Event Venues Master Lease: and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Event Venues Master Lease in substantially the form attached hereto as Exhibit A, subject to the Board of Supervisors approval of the amendment as required under the Authority's Bylaws; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

TWENTY THIRD AMENDMENT
TO LEASE AGREEMENT N6247498RP00Q03
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00Q03 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00Q03 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM,** delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 6f
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Twenty Seventh Amendment to the Treasure Island South Waterfront Master Lease between the Authority and the Navy to Extend the Term (Action Item)

Contact Mirian Saez, Director of Island Operations

Phone (415) 274-0660

BACKGROUND

On September 4, 1998, the Authority entered into Lease Number N6247498RP00P99 with the United States Navy (the "South Waterfront Master Lease"). The lease premises includes certain land and structures on former Naval Station Treasure Island, including the Administration Building, Building 180, a portion of which is currently subleased to World Head Quarters, Hangar 2, which is currently subleased to Island Creative Management, and Hangar 3, which is used for Special Events and Film Production. The Authority does not pay any Base Rent under the Master Lease.

The term of the Master Lease will expire on November 30, 2011. This Amendment will extend the term to November 30, 2012 on the same terms and conditions as the existing Master Lease. TIDA Bylaws dictate that subsequent to TIDA Board approval, this Thirty Fifth Amendment is subject to approval by the San Francisco Board of Supervisors as it is an agreement with a term 10 years or longer.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority.

RECOMMENDATION

Project Staff recommends approval of the Twenty Seventh Amendment to the Treasure Island South Waterfront Master Lease Agreement N6247498RP00P99 to extend the term for the period commencing on December 1, 2011 and expiring on November 30, 2012.

Prepared by Peter Summerville
for Mirian Saez, Director Island Operations

[Amendment to Navy Master Lease N6247498RP00P99]

RESOLUTION AUTHORIZING THE TWENTY SEVENTH AMENDMENT TO THE TREASURE ISLAND SOUTH WATERFRONT MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO EXTEND THE TERM

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated September 4, 1998, for the Authority to use and rent out certain land and buildings in certain areas of Treasure Island (the "South Waterfront Master Lease") at no rent; and,

WHEREAS, The South Waterfront Master Lease enables the Authority to sublease portions of the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the South Waterfront Master Lease expires on November 30, 2011; and,

WHEREAS, The Authority wishes to extend the term of such lease for a period of one (1) year beginning on December 1, 2011 and ending on November 30, 2012, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the South Waterfront Master Lease in substantially the form attached hereto as Exhibit A, and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the amendment that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the

obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

TWENTY SEVENTH AMENDMENT
TO LEASE AGREEMENT N6247498RP00P99
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 4 September 1998, entered into Lease Agreement N6247498RP00P99 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6247498RP00P99 are hereby amended to reflect the following changes;

1. Paragraph 2 TERM, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination."

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 6g
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Authorizing the Seventh Amendment to the Treasure Island Childcare Center Master Lease between the Authority and the Navy to Extend the Term (Action Item)

Contact Mirian Saez, Director of Island Operations
Phone (415) 274-0660

BACKGROUND

On October 1, 2001, the Treasure Island Development Authority ("Authority") entered into Lease Number N6871102RP02P09 with the United States Navy (as amended from time to time, the "Childcare Master Lease"). The lease premises include land and structures that are subsequently subleased to Catholic Charities for the purpose of operating a Childcare Center on Treasure Island. The Authority does not pay any Base Rent under the Childcare Master Lease.

The term of the Childcare Master Lease will expire on November 30, 2011. The proposed Seventh Amendment will extend the term to November 30, 2012 on the same terms and conditions as the existing Master Lease. The Authority's Bylaws require that subsequent to Authority Board approval, this Seventh Amendment is subject to approval by the San Francisco Board of Supervisors as it is an agreement with a term of 10 years or longer.

FINANCIAL IMPACT

There will be no financial impact on the budget for the Treasure Island Development Authority.

RECOMMENDATION

Project Staff recommends approval of Seventh Amendment to the Childcare Center Master Lease Agreement N6871102RP02P09 to extend the term for the period commencing December 1, 2011 and expiring on November 30, 2012.

Prepared by Peter Summerville
for Mirian Saez, Director Island Operations

[Amendment to Navy Childcare Center Master Lease N6871102RP02P09]

RESOLUTION AUTHORIZING THE SEVENTH AMENDMENT TO THE TREASURE ISLAND CHILDCARE CENTER MASTER LEASE BETWEEN THE AUTHORITY AND THE NAVY TO EXTEND THE TERM.

WHEREAS, The Treasure Island Development Authority ("Authority") and the United States of America, acting by and through the Department of the Navy (the "Navy"), entered into a master lease dated October 1, 2001, for the Authority to use and rent out certain land and buildings in certain areas of Treasure Island (as amended from time to time, the "Childcare Center Master Lease") at no rent; and,

WHEREAS, The Childcare Center Master Lease enables the Authority to sublease the master leased area for interim uses and generate revenues to support the interim uses and the future redevelopment of the former Naval Station Treasure Island; and,

WHEREAS, The term of the Childcare Center Master Lease expires on November 30, 2011; and,

WHEREAS, The Authority wishes to extend the term of such lease for a period of one (1) year beginning on December 1, 2011 and ending on November 30, 2012, unless sooner terminated in accordance with the terms and conditions of the Master Lease; and,

WHEREAS, The Navy concurs with such extension; Now, Therefore, Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into an amendment to the Childcare Center Master Lease in substantially the form attached hereto as Exhibit A, subject to Board of Supervisors approval of the amendment as required under the Authority's Bylaws; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the amendment that the Director of Island Operations determines in consultation with the City

Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the amendment, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

SEVENTH AMENDMENT
TO LEASE AGREEMENT N6871102RP02P09
BETWEEN
THE UNITED STATES OF AMERICA
AND
TREASURE ISLAND DEVELOPMENT AUTHORITY

THIS LEASE AMENDMENT made this _____day of_____2011, by and between the UNITED STATES OF AMERICA, acting by and through the Department of the Navy, hereinafter called the "Government", and the TREASURE ISLAND DEVELOPMENT AUTHORITY, hereinafter called the "Lessee";

WHEREAS, the parties hereto, as of 1 October 2001, entered into Lease Agreement N6871102RP02P09 under the terms of which the Lessee uses certain real property for space located at the former Naval Station, Treasure Island; and

WHEREAS, the parties agree to amend the terms of the Lease Agreement.

NOW THEREFORE, in consideration of the terms, covenants and conditions hereinafter set forth; the following paragraphs to Lease N6871102RP02P09 are hereby amended to reflect the following changes;

1. Paragraph 2 **TERM**, delete in its entirety and the following paragraph is inserted therefore:

"The term of this Lease shall be for a period of one (1) year beginning on 1 December 2011 and ending on 30 November 2012, unless sooner terminated in accordance with the provisions of Paragraph 14, Termination"

All other terms and conditions of the Lease Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have, on the respective dates set forth above duly executed this amendment to the Lease as of the day and year first above written.

UNITED STATES OF AMERICA	TREASURE ISLAND DEVELOPMENT AUTHORITY
_____	_____
Title_____	Title_____

APPROVED AS TO FORM:

_____
CITY ATTORNEY

AGENDA ITEM 6h
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: **Resolution Approving and Authorizing the Director of Island Operations to Execute and Enter into a Modification to the Cooperative Agreement with the United States Navy to extend the term from October 1, 2011 to September 30, 2012.**

Staff Contact/Phone: Mirian Saez, Director of Island Operations
(415) 274-0660

SUMMARY OF PROPOSED ACTION:
This item seeks the approval of the Authority's Board of Directors to execute and enter into a modification to the Cooperative Agreement with the United States Navy to extend the term from October 1, 2011 to September 30, 2012.

BACKGROUND:
With the approval of the Board of Supervisors, the City and the Authority entered into a Cooperative Agreement with the United States Navy, and numerous modifications to the Cooperative Agreement, under which the City (initially) and the Authority (subsequently) agreed to assume certain responsibilities for (i) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on the Base, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services.

The current term of the Cooperative Agreement, as amended, expires on September 30, 2011. The Authority and the Navy wish to extend the term of the Cooperative Agreement from October 1, 2011 to September 30, 2012 under the same terms and conditions that existed prior to the expiration of the current term of the Cooperative Agreement.

Pursuant to the Board of Supervisors Resolution establishing the Authority, modifications to the Cooperative Agreement shall be referred to the Board of Supervisors for approval because the overall value of the Cooperative Agreement is in excess of $1 million and the term of the Cooperative Agreement is in excess of 10 years.

RECOMMENDATION:
Staff recommends approval of the modification to the Cooperative Agreement with the United States Navy as stated above.

Prepared by Peter Summerville
for Mirian Saez, Director of Island Operations

[Extension of the term of the Cooperative Agreement with the United States Navy from October 1, 2011 to September 30, 2012.]

Resolution approving and authorizing the Director of Island Operations to execute and enter into a modification to the Cooperative Agreement with the United States Navy to extend the term from October 1, 2011 to September 30, 2012.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, With the approval of the Board of Supervisors, the City and the Authority entered into a Cooperative Agreement with the United States Navy under which the City (initially) and the Authority (subsequently) agreed to assume certain responsibilities for (i) operation and maintenance for the water, waste water, storm water, electric and gas utility systems on the Base, (ii) security and public health and safety services, (iii) grounds and street maintenance and repair, and (iv) property management and caretaker services; and,

WHEREAS, The Cooperative Agreement has been amended numerous times and the current term of the Cooperative Agreement expires on September 30, 2011; and,

WHEREAS, The Authority and the Navy wish to extend the term of the Cooperative Agreement from October 1, 2011 to September 30, 2012 under the same terms and conditions as existed prior to the expiration of the current term of the Cooperative Agreement; Now Therefore, Be It

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations to execute and enter into a modification to the Cooperative Agreement to extend the term from October 1, 2011 to September 30, 2012; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Cooperative Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to perform the services under the Cooperative Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00026

COOPERATIVE AGREEMENT

GRANTEE: CITY OF COUNTY OF SAN FRANCISO
TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS, BUILDING 1, ROOM 237
TREASURE ISLAND, SAN FRANCISCO, CA 94130

AUTHORITY: 31 U.S.C. Section 6305 & 10 U.S.C. Section 2687 note, section 204 (a) (2) of Defense Base Closure Act of 1988 (P. L. 100-526)

COOPERATIVE AGREEMENT MODIFICATION

The purpose of this modification, in accordance with Section 701 of the General Provisions, is to extend the current Cooperative Agreement from 01 October 2011 to 30 September 2012.

As mutually agreed herein by both parties, the costs of extended caretaker services shall be borne exclusively of and by the caretaker as an offset of existing revenue generating sources, present and future, through the extended period of the Cooperative Agreement ending 30 September 2012.

The general provisions, terms and conditions of the basic Cooperative, and all previous modifications remain the same as previously adopted.

As a result of this Modification, the total funded amount of the Cooperative Agreement remains the same at $12,848,213.00.

UNITED STATES NAVY
NAVAL FACILITIES ENGINEERING COMMAND
WASHINGTON NAVY YARD
1322 PATTERSON AVENUE SE, SUITE 1000
WASHINGTON, DC 20374-5065

COOPERATIVE AGREEMENT
NO. N62474-97-2-0003
MODIFICATION P00026

IN WITNESS WHEREOF, The parties to this Agreement by their authorized representatives hereby cause this Agreement to be executed.

For the CITY AND COUNTY
OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT
AUTHORITY as Caretaker:

By:_____
Ms. Mirian Saez
Treasure Island Development Authority
Director of Island Operation

Date: _____

For the United States Navy:

By: _____
Mr. Robert M. Griffin
Grants Officer

Date: _____

AGENDA ITEM 6i
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Approving and Authorizing the Execution of a Sublease with SOL ROUGE, LLC., a California limited liability company for Buildings 141 and 448, Treasure Island

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

Since July of 2010, SOL ROUGE, LLC., a California limited liability company (hereafter referred to as "Sol Ruge"), has been manufacturing wine out of Building 180, North. Sol Ruge is now requesting to enter into a month-to-month Sublease with the Treasure Island Development Authority (hereafter referred to as the "Authority") for additionally space at Buildings 141 and 448 effective retroactively on May, 1 2011.

SUBLEASE TERMS AND CONDITIONS

The salient terms and conditions of the proposed Sublease include the following:

Premises:	Parcel A: approximately 585 square feet of space at Building 141; and Parcel B: approximately 625 square feet of space at Building 448, Treasure Island
Location:	Buildings 141 and 448, Treasure Island
Commencement Date:	May 1, 2011
Lease Expiration Date:	November 30, 2011
Lease Term:	Month-to-Month
Base Rent:	$300.00 per month or $0.25 per square foot
Use:	Storage, wholesaling, tasting and manufacturing of wine only and for no other purpose.
Security Deposit:	$600.00

PROPOSED MONTHLY BASE RENT

Under the Authority's Interim Subleasing Policy, the Minimum Rental Rate Schedule sets ranges of minimum sublease rental rates per square foot by type of use and facility for office and industrial space. Authority Staff reviews and analyzes available commercial data including market comparables of properties similarly situated to the Authority properties and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last approved the Minimum Rental Rate Schedule in December 2010. However, when the appraisal was conducted in 2007, Buildings 141 and 448 were excluded from the properties being appraised because of their substandard condition.

Authority Staff and Sol Ruge have negotiated a new Sublease with a monthly rental rate of $.25 per square foot. Although a rental rate for this property has not been established, Authority Staff believes $.25 per square foot represents fair market value for these buildings at this time.

FINANCIAL IMPACT

The new Sublease will provide an increase of approximately $3,600.00 per year to the Authority's budget.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors retroactively approve the proposed Sublease with SOL ROUGE, LLC., a California limited liability, and authorize the Director of Island Operations or her designee to execute said Sublease for space located at Buildings 141 and 448, Treasure Island, for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT

EXHIBIT A– Sublease between the Treasure Island Development Authority and SOL ROUGE, LLC., a California limited liability

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Sublease with SOL ROUGE, LLC., a California limited liability company]

Resolution Retroactively Approving and Authorizing the Execution of a Sublease with SOL ROUGE, LLC., a California limited liability company for Buildings 141 and 448, Treasure Island.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Since July 2010, SOL ROUGE, LLC., a California limited liability company (hereafter referred to as "Sol Ruge"), has been manufacturing and wholesaling wine out of Building 180, North; and,

WHEREAS, Under the proposed Sublease, Sol Ruge is requesting a month-to-month Sublease for Parcel A: approximately 585 square feet of space at Building 141; and Parcel B: approximately 625 square feet of space at Building 448, Treasure Island, with a monthly base rent of $300.00 or $.25 commencing retroactively on May 1, 2011; and,

WHEREAS, Although the Authority has not conducted an appraisal of Buildings 141 and 448, Authority Staff believes that the proposed base rent of $.25 per square foot per month represents fair market value for this Sublease at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Sublease to SOL ROUGE, LLC., a California limited liability company of space located at Buildings 141 and 448, Treasure Island, and authorizes the Director of Island Operations or her designee to execute said Sublease in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Sublease will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Sublease are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Sublease that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Sublease, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

SUBLEASE No. 439

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

SOL ROUGE, LLC.
a California limited liability company

as Subtenant

For the Sublease of

Buildings 141 & 448

Treasure Island Naval Station
San Francisco, California

May 1, 2011

TREASURE ISLAND SUBLEASE

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EXHIBIT B – Diagram of Premises
EXHIBIT C – Cover Page of Seismic Report
EXHIBIT D – Rules and Regulations
EXHIBIT E – Utilities
EXHIBIT F – TIHDI Work Force Hiring Plan

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of May 1, 2011, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and SOL ROUGE, LLC., a California limited liability company ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated September 4, 1998, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Subtenant desires to sublet from Sublandlord, and Sublandlord is willing to sublet to Subtenant, a portion of the Property on the terms and conditions contained in this Sublease.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	May 1, 2011
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	SOL ROUGE, LLC., a California limited liability company

Subleased Premises (Section 2.1):	Parcel A: approximately Five Hundred and Eighty Five (585) square feet of space located at Building 141; and Parcel B: approximately Six Hundred and Twenty Five (625) square feet of space located at Building 448, Treasure Island, San Francisco, CA. as more particularly shown on Exhibit B, attached hereto.
Facility:	Buildings 141 and 448
Term: (Section 4.1):	Commencement date: May 1, 2011 Expiration date: November 30, 2011 Notwithstanding anything in this Sublease to the contrary, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.
Base Rent (Section 5.1):	Three Hundred Dollars ($300.00) per month or $0.25 per square foot.
Rent Adjustment Date(s) (Section 5.2):	Not applicable
Rent Increase Percentage (Section 5.2):	Not applicable
Use (Section 7.1):	Storage, wholesaling, tasting and manufacturing of wine only and for no other purpose.
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Security Deposit (Section 19.3):	Six Hundred Dollars ($600.00)

Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office One Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755
Notice Address of Subtenant (Section 21.1):	SOL ROUGE, LLC. 5395 Konocti Road Keyselville, CA 95451 Attn: Bryan Kane Telephone No. (408) 802-6208 Fax No. N/A Email. bryan@solrouge.com
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858

2. PREMISES

2.1. **Subleased Premises**. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility

and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims

against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Sublandlord _____ Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities serving

the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) Seismic Report. Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of

any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. Term of Sublease. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. Effective Date. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. Automatic Termination. If the Master Lease terminates in whole or in part affecting these Premises for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. Termination. As set forth in the Basic Sublease Information (Term), either Sublandlord or Subtenant, each in their sole discretion, may terminate this Sublease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. No Relocation Assistance; Waiver of Claims. Subtenant acknowledges that Subtenant has previously been informed that the Property subject to this Sublease is part of an area that is proposed for redevelopment and that this Sublease may be terminated by Sublandlord or Subtenant may be required to move from the Property to accommodate the redevelopment project. Subtenant acknowledges that, if this Sublease is terminated or Subtenant is asked to move, it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons

acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____Subtenant

5. RENT

5.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. Adjustments in Base Rent. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. Additional Charges. In addition to Base Rent, Subtenant shall pay all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.4. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.5. Default Interest. If any Rent is not paid within ten (10) days following the due date,

such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) Payment Responsibility. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) Taxability of Possessory Interest. Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) No Liens. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) Reporting Information. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. Evidence of Payment. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. Subtenant's Permitted Use. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written

consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. Rules and Regulations. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. Easements. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. No Interference with Navy Operations. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. No Unlawful Uses, Nuisances or Waste. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its

activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. Alterations. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

(a) Asbestos-Containing Materials. Without limiting Section 25.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Subtenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Subtenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work shall be performed without Sublandlord's prior written consent in each instance.

(b) Subtenant's Improvements or Alterations that Disturb or Remove Lead Based Paint. Subtenant shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "Laws"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of

improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Subtenant shall give to Sublandlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Subtenant, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to Sublandlord under this sublease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

8.2. Historic Properties. Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. Ownership of Alterations. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. Subtenant's Personal Property. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. Sublandlord's Alterations. Sublandlord reserves the right at any time to make

alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. Subtenant Responsible for Maintenance and Repair. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. Utilities. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. Landscaping. Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. Janitorial Services. Subtenant shall provide all janitorial services for the Premises.

9.5. Pest Control. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. Trash. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. No Right to Repair and Deduct. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws.

Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals; Responsible Party.

Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's

or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. No Abatement in Rent. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. Waiver. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. Restriction on Assignment and Subletting. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant

shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. Bonus Rental. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. Events of Default. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) Failure to Pay Rent. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) Covenants, Conditions and Representations. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord;

(c) Vacation or Abandonment. Any abandonment of the Premises for more than fourteen (14) consecutive days;

(d) Bankruptcy. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) Notices of Default. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall

have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) Terminate Sublease and Recover Damages. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) Appointment of Receiver. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. Sublandlord's Right to Cure Subtenant's Defaults. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. Release and Waiver of Claims. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct

or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) **In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:**

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.**

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. Subtenant's Indemnity. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or

management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. Required Insurance Coverage. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) General Liability Insurance. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) Automobile Liability Insurance. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) Worker's Compensation and Employer's Liability Insurance. If Subtenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) Personal Property Insurance. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property

insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) Other Coverage. Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. Claims-Made Policies. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. Annual Aggregate Limits. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. Payment of Premiums. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising

under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) General Access. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) Emergency Access. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) No Liability. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. No Holding Over. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. Security Deposit. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. No Hazardous Materials. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed

pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration

of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. No Implied Waiver. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. Amendments. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. Authority. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. Joint and Several Obligations. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. Interpretation of Sublease. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to

a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. Successors and Assigns. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. Brokers. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. Severability. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. Governing Law. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. Entire Agreement. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving

this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or

member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) Covenant Not to Discriminate. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) Sub-Subleases and Other Subcontracts. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) Non-Discrimination in Benefits. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) HRC Form. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons

performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.9. **Prohibition of Alcoholic Beverage Advertising**. Subtenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

22.10. **Prohibition of Tobacco Sales and Advertising**. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. **Pesticide Prohibition**. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, (b) describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. **First Source Hiring Ordinance**. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable

requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at http://www.sfgov.org/olse/hcao. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such

period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach

Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Subtenant's board of directors; Subtenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Subtenant further agrees to provide Sublandlord the name of each person, entity or committee described above.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the

City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum, if any, attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

22.23. Cooperative Drafting. This Sublease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Sublease reviewed and revised by legal counsel. No party shall be considered the drafter of this Sublease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Sublease.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

SOL ROUGE, LLC., a California limited liability company

By: _____

Its: _____

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

AGENDA ITEM 6j
Treasure Island Development Authority
City and County of San Francisco
Meeting of May 11, 2011

Subject: Resolution Retroactively Approving and Authorizing the Execution of the Application To Place A Banner Above The Yerba Buena Island Tunnel with Bay Area Air Quality Management District, a governmental agency (Action Item)

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: 415-274-3365

BACKGROUND

On February 14, 2007, the Treasure Island Development Authority (hereafter referred to as the "Authority") Board adopted the Twentieth Amendment to the Land and Structures Master Lease to formally include the banner space area above the Yerba Buena Island Tunnel (hereafter referred to as the "Banner Space") into the lease premises. On March 14, 2007, Authority Board of Directors approved and adopted the Banner Rental Policy and Guidelines. On May 14, 2008, the Authority Board Retroactively Approved a Fee Increase for the Banner Space above the Yerba Buena Island Tunnel Effective January 1, 2008 from $7,500 per month to $10,000 per month.

The space above the YBI Tunnel is in a desirable geographical location for promotional announcements and messages because of the high visibility to all motorists commuting to San Francisco westbound via the Bay Bridge. To date, the announcements on the banners have been limited to traffic related messages from regional transportation agencies such as BART and 511, public safety and service announcements, City sponsored events, and essential construction schedule closure notices from CALTRANS regarding the Bay Bridge. Under the current Banner Policy, banners that publicize Island messages and events receive priority. The banners are produced by the applicants at no cost to the Authority.

Over the past four years, the Bay Area Air Quality Management District, a governmental agency (hereafter referred to as "BAAQMD"), has periodically rented the Banner Space. BAAQMD is now requesting to enter into a month-to-month Agreement with the Authority for the banner space area above the Yerba Buena Island Tunnel effective retroactively on May 1, 2011 to November 30, 2011.

TERMS AND CONDITIONS

The salient terms and conditions of the proposed Agreement include the following:

Location: Banner space above Yerba Buena Island Tunnel, Yerba Buena Island

Commencement Date:	May 1, 2011
Lease Expiration Date:	November 30, 2011
Lease Term:	Month-to-Month
Fee:	$9,000.00 per month
Term of Display:	Banners shall be 70 feet horizontally and 10 feet vertically. The minimum lettering size is 24 inches high, and banners are required to be produced in nylon with eyelet holes in each corner no more than 35 inches. BAAQMD will be allowed to display messages pertaining to air quality and use of public transit. Political, commercial and personal messages on banners will not be approved.

PROPOSED MONTHLY FEE

Under the Authority's Banner Policy for renting space above the Yerba Buena Island Tunnel, the Minimum Monthly Rental Fee is $10,000.00. Authority Staff reviews and analyzes available commercial data including market comparables and evaluates the Authority transactions over the past 12 months to establish fair market value. The Authority Board last adjusted the Minimum Rental Fee for banner space on May 14, 2008. Authority Staff and BAAQMD have negotiated an Agreement with a monthly rental rate of $9,000 per month. Although the rental fee of $9,000.00 is $1,000.00 per month below the Authority Approved Minimum Fee Schedule, Authority staff believes the month-to-month guaranteed revenue and consistency of having one user far exceeds the rental rate difference and represents fair market value at this time.

BUDGET IMPACT

The new Sublease will provide approximately $108,000.00 per year to the Authority's budget.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors approve the proposed Agreement with BAAQMD and authorizes the Director of Island Operations or her designee to execute said Agreement for banner space area above the Yerba Buena Island Tunnel, Yerba Buena Island, for a month-to-month term and subject to the additional terms and conditions set forth above.

EXHIBIT

EXHIBIT A – Application To Place A Banner Above the Yerba Buena Island Tunnel No. 441 between the Treasure Island Development Authority and Bay Area Air Quality Management District, a governmental agency

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

[Agreement with Bay Area Air Quality Management District]

Resolution Retroactively Approving and Authorizing the Execution of the Application To Place A Banner Above The Yerba Buena Island Tunnel with Bay Area Air Quality Management District.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and.

WHEREAS, At the request of the Navy's Caretaker Site Office, Authority has administered the rental of the area above the YBI Tunnel as it is a desirable geographical location for

promotional announcements and messages because of the high visibility to all motorists commuting to San Francisco westbound via the Bay Bridge; and,

WHEREAS, To date, the announcements on the banners have been limited to traffic related messages from regional transportation agencies such as BART and 511, public safety and service announcements, City sponsored events, and essential construction schedule closure notices from CALTRANS regarding the Bay Bridge; and,

WHEREAS, On February 14, 2007, the Authority Board adopted the Twentieth Amendment to the Land and Structures Master Lease to formally include the banner space area above the Yerba Buena Island Tunnel (hereafter referred to as the "Banner Space") into the lease premises, and the Board approved and adopted the Banner Rental Policy and Guidelines on March 14, 2007; and,

WHEREAS, On May 14, 2008, the Authority Board Retroactively Approved a Fee Increase for the Banner Space above the Yerba Buena Island Tunnel Effective January 1, 2008 from $7,500 per month to $10,000 per month.

WHEREAS, Over the past four years, the Bay Area Air Quality Management District, a governmental agency (hereafter referred to as "BAAQMD"), has periodically rented the Banner Space, and is now requesting to enter into a month-to-month Agreement with the Authority for the banner space area above the Yerba Buena Island Tunnel effective retroactively on May 1, 2011, with a monthly fee of $9,000.00 per month; and,

WHEREAS, Although the proposed monthly rental fee is $1,000.00 per month below the Authority Approved Minimum Fee Schedule, Authority staff believes the month-to-month guarante revenue and consistency of having one user far exceeds the rental rate difference and represents fair market value at this time; and,

WHEREAS, BAAQMD will be allowed to display messages pertaining to air quality and use of public transit, and political, commercial and personal messages on banners will not be approved; now, therefore, be it

RESOLVED, That the Board of Directors hereby retroactively approves the Application To Place A Banner Above The Yerba Buena Island Tunnel with BAAQMD and authorizes the Director of Island Operations or her designee to execute said Agreement in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Agreement will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Agreement are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on May 11, 2011.

_____

Jean-Paul Samaha, Secretary

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
BLDG. ONE, 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

MAYOR EDWIN M. LEE

MIRIAN SAEZ

DIRECTOR OF ISLAND OPERATIONS

Exhibit "A"

APPLICATION TO PLACE A BANNER ABOVE THE YERBA BUENA ISLAND TUNNEL No. 441

Applicant Information

Request Date	March 15, 2011
Name of Applicant	Kristine Roselius
Organization	BAY AREA AIR QUALITY MANAGEMENT DISTRICT, a governmental agency
Phone//Fax Number	415-749-4647 (phone) 415-749-5101 (fax)
Address	939 Ellis St. San Francisco, CA 94109
Dates for Banner to be Displayed	Month to Month commencing May 1, 2011 to November 30, 2011

- Requestor shall pay to Authority a monthly non-refundable fee in the amount of $9,000 for its use of the banner space as provided hereunder. The first month's fee is payable at such time as Requestor signs and delivers this Application to Place a Banner Above the Yerba Buena Island Tunnel 2011 to Authority.
- The banner is to be delivered by the applicant one week prior to installation date. The Department of Public Works will install and remove the banner.
- The term for banners space is month to month commencing May 1, 2011 through November 30, 2011, and subject to the conditions set forth below in Section 1.
- Banners shall be 70 feet horizontally and 10 feet vertically. The minimum lettering size is 24 inches high, and banners are required to be produced in nylon with eyelet holes in each corner no more than 35 inches.
- Political, commercial and personal messages on banners will not be approved.
- Banners publicizing Treasure/Yerba Buena Island messages and events will receive first priority.
- YBI Tunnel Policy is attached and hereby incorporated by reference.

Copy of Permit is attached for your information.

IN SIGNING THIS FORM, THE REQUESTER HEREBY AGREES TO COMPLY WITH ALL OF THE FOLLOWING REQUIREMENTS. IF THE REVOCABLE PERMISSION TO PLACE A BANNER ABOVE THE YERBA BUENA TUNNEL IS GRANTED, AS EVIDENCED BY THE TREASURE ISLAND DEVELOPMENT AUTHORITY'S EXECUTION OF THIS REQUEST, SUCH REVOCABLE PERMISSION SHALL BE SUBJECT TO THE FOLLOWING CONDITIONS:

1. The permission granted hereunder is merely a revocable license. The Treasure Island Development Authority ("TIDA") may revoke the permission at will for any reason whatsoever including, but not limited to, the need to replace Requestor's banner with an emergency public service or safety announcement. Upon the revocation, TIDA shall cause the Department of Public Works to remove the banner.

2. The permission shall not be assignable except with the prior written consent of TIDA.

3. In consideration of the permission being granted, Requestor, on its behalf and that of any permitted successor or assign, promises and agrees to perform all the terms of this permission and to comply with all applicable laws, ordinances and regulations.

4. Requestor agrees on its behalf and that of any successor or assign to hold harmless, defend, and indemnify TIDA and the City and County of San Francisco, including, without limitation, each of its commissions, departments, officers, agents and employees (hereinafter collectively referred to as the "Indemnified Parties") from and against any and all losses, liabilities, expenses, claims, demands, injuries, damages, fines, penalties, costs or judgments including without limitation, attorneys' fees and costs (collectively "claims") of any kind allegedly arising directly or indirectly from (i) any act by, omission by, or negligence of, Requestor or its contractors, or the officers, agents, or employees of either, in connection with this permission, or while in or about the property subject to this permission for any reason connected in any way whatsoever with the activities authorized under this permission, (ii) any accident or injury to Requestor or any contractor, or any officer, agent, or employee of either of them, for any reason connected with the activities authorized under this permission, or arising from liens or claims for services rendered or labor or materials furnished in or for the activities authorized under this permission, (iii) injuries or damages to real or personal property, goodwill, and persons in, upon or in any way allegedly connected with this permission from any cause or claims arising at any time, and (iv) any release or discharge, or threatened release or discharge, of any hazardous material caused or allowed by Requestor in, under, on or about the property subject to this permission or into the environment. As used herein, "hazardous material" means any substance, waste or material which, because of its quantity, concentration of physical or chemical characteristics is deemed by any federal, state, or local governmental authority to pose a present or potential hazard to human health or safety to the environment.

5. Requestor must hold harmless, indemnify and defend the Indemnified Parties regardless of the alleged negligence of an Indemnified Party or any other party, except only for claims resulting directly from the sole negligence or willful misconduct of an Indemnified Party. Requestor specifically acknowledges and agrees that it has an immediate and independent obligation to defend the Indemnified Parties from any claim which actually or potentially falls within this indemnity provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such

claim is tendered to Requestor by an Indemnified Party and continues at all times thereafter. Requestor agrees that the indemnification obligations assumed under this permission shall survive expiration of the permission.

6. Requestor shall obtain and maintain through the terms of this permission general liability insurance with not less than $1,000,000 of coverage to protect TIDA and the City against claims for damages for personal injury, accidental death and property damage allegedly arising from any activities under this permission. Such insurance shall in no way limit Requestor's indemnity hereunder. Certificates of insurance, in form and with insurers satisfactory to TIDA and the City, evidencing the coverage above and naming TIDA and the City as additional insureds, shall be furnished to TIDA and the City before commencing any activities under this permission, with complete copies of policies furnished promptly upon TIDA or City request.

Requestor:

By: _____

Name: _____

Its: _____

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
CITY ATTORNEY

By: _____
Deputy City Attorney

CITY & COUNTY OF SAN FRANCISCO

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EDWIN M. LEE, MAYOR

DRAFT Minutes of Meeting
Treasure Island Development Authority
May 11, 2011

Room 416, City Hall
1 Dr. Carlton B. Goodlett Place

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

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1. Call to Order 1:36 PM.

Present

Larry Del Carlo
Mark Dunlop
John Elberling, *Chief Financial Officer*
Larry Mazzola, Jr.
Linda Richardson
Jean-Paul Samaha, *Secretary/Vice-President*

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Excused

Claudine Cheng, *President*
Supervisor Jane Kim, *Ex-Officio*

2. General Public Comment

Ms. Emily Rappaport, a long term resident of Treasure Island, TI Job Corps Career Transition Specialist and Neighborhood Emergency Response Team Coordinator, introduced herself as the newly elected Good Neighbors President and expressed gratitude to the board for their attention to the future redevelopment plan.

3a. Director's Report

Ms. Saez provided a report on Island and staff activities over the past month. Discussed public safety and reported decreased crime stats over the past month. Discussed extended summer hours at the Boys and Girls Club which will also partner with the Gaelic Association, Rugby Club and Sailing Center for additional youth programs. Discussed Island tour for Supervisor Kim. Stated that Supervisor will be visiting Boys and Girls Club on May 23, 2011. Discussed extending the basic terms of existing relationship with the Navy including operations and the subleasing of land, buildings and waterfronts. If the Authority Board approves terms today this will allow enough time for BOS to approve before the expiration dates. Informed the Board of her attendance at Chamber of Commerce City trip in Seattle which included their redevelopment

plan overview and a visit to Boeing, Starbucks and Microsoft Headquarters. Ms. Saez addressed Director Del Carlo's inquiry regarding TIHDI's members and hiring partners.
Discussed quality of life issues: CFL lighting in residential units; On-island pick up/clean up event; Upcoming SF Community Power in cooperation with TIDA will go door to door for safety and disaster preparedness and energy water efficiency assessments.
Leasing/subleasing activity was discussed adding $36K to annual income to TIDA.
Discussed film production and commercial photo shoots on the Island and showed news real regarding upcoming Bliss Dance Reception to take place on May 26, 2011. Treasure Island Flea Market will begin 5/28 and 5/29 on Great Lawn.
Discussed future agenda items.
There was no Public Comment on the Director's Report.

3b. Report by Office of Economic & Workforce Development
Mr. Rich Hillis, Office of Economic and Workforce Development, gave an update on the development approvals and transaction documents. Eleven approval items went to Budget Committee and were passed to full board without recommendation based on advice from City Attorney regarding today's deadline for CEQA appeal. These items are scheduled to be heard on May 17, 2011 if no CEQA appeal. If there is an appeal, there is a statutory requirement to consider at June 7, 2011 BOS meeting. Supervisor Kim has been working with Assemblyperson Amiano as he has a bill before assembly that changes IFD fund allocation and has been open to amend to allow same ability to recapture tax increment from the state for the purpose of backfilling the affordable housing loss in order to get back up to the 30% affordable housing under original redevelopment plan. This Bill is scheduled to be in front of Appropriations Committee next week then to full assembly and then on to Senate. Not anticipating this to be passed until the fall after entire budget has been considered.
Mr. Hillis addressed Director Dunlop's inquiry regarding tsunamis and geo tech improvements. He stated that this information is now available on the TIDA website.

There was no Public Comment on the Report by Office of Economic and Workforce Development.

3c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (CAB)
Ms. Karen Knowles-Pearce, CAB Chair, stated that she has been attending each hearing that has any relationship with TI and speaks on behalf of CAB's enthusiastic support of the redevelopment project. There hasn't been an advisory board meeting since April 19, 2011 and they won't have one until summer after approvals have been passed. Ms. Knowles-Pearce confirmed that CAB is making its presence and voice heard.

There was no Public Comment on the Citizen Advisory Board report.

4. Communications
There was no discussion of the Communications by Directors.

There was no Public Comment on the Communications.

5. Ongoing Business by Board of Directors
No on-going business was discussed by Directors.

There was no Public Comment on the item.

6. Consent Agenda
All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the minutes of the March 9, 2011 Regular Meeting, March 22, 2011 Special Meeting and April 5, 2011 Special Meeting

b. Resolution Authorizing the Director of Island Operations to Execute a Use Permit with Frantic, Inc. for Building 3

c. Approving Navy Land and Structures Master Lease Extension

d. Approving Navy Marina Master Lease Extension

e. Approving Navy Event Venues Master Lease Extension

f. Approving Navy South Waterfront Master Lease Extension

g. Approving Navy Childcare Center Master Lease Extension

h. Approving Navy Cooperative Agreement Extension

i. Approving Amendment to Sublease with Sol Rouge

j. Approving Bay Area Air Quality Management District Application to Place a Banner above the Yerba Buena Island Tunnel

Director Dunlop motioned for approval.
Director Mazzola seconded the motion.
The items were approved unanimously.

7. Discussion of Future Agenda Items by Directors
There was no discussion for future agenda items.
There was no Public Comment.

8. Possible Closed Session
There was no Public Comment on the possible Closed Session.

Director Elberling motioned to move to Closed Session.

Director Samaha seconded the motion.
The Board moved to Closed Session at 1:55PM.

Closed Session Attendees:
Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary
Asja Steeves, Treasure Island Development Authority
Rich Hillis, Office of Economic and Workforce Development
Michael Tymoff, Office of Economic and Workforce Development
John Yolles, Office of Economic and Workforce Development
Eileen Malley, Office of the City Attorney

The Authority Board re-convened in Open Session at 2:20PM.
Director Elberling motioned not to disclose the Closed Session.
Director Del Carlo seconded the motion.
The Board unanimously approved not to disclose the Closed Session.

9. The meeting adjourned at 2:21PM.

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

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NOTICE OF CANCELLED MEETING
TREASURE ISLAND DEVELOPMENT AUTHORITY

NOTICE IS HEREBY GIVEN that the regular meeting of the Treasure Island Development Authority scheduled for Wednesday, June 8th, 2011 at 1:30 pm at 1 Dr. Carlton B. Goodlett Place, Room 400, City Hall, San Francisco, California, has been Cancelled.

A Special Meeting of the Treasure Island Development Authority Board of Directors will be held Wednesday, June 22nd, 2011 at 2:30 pm at 1 Dr. Carlton B. Goodlett Place, Room 400, City Hall, San Francisco, California. An agenda will be distributed at least 72 hours prior to the Special Meeting.

Treasure Island Development Authority

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 941130 during normal office hours.

Disability Access

The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) **at least 72 hours** prior to the meeting to help ensure availability.

The nearest accessible BART station is Civic Center Plaza at the intersection of Market, Grove, and Hyde Streets. The accessible MUNI Metro lines are the J, K, L, M,

and N (Civic Center Station or Van Ness Avenue Station). MUNI bus lines serving the area are the 47 Van Ness, 9 San Bruno, and the 6, 7, 71 Haight/ Noriega. Accessible curbside parking is available on 1 Dr. Carlton B. Goodlett Place and Grove Street. For more information about MUNI accessible services, call 923-6142.

In order to assist the City's efforts to accommodate persons with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based scented products. Please help the City to accommodate these individuals.

The ringing of and use of cell phones, pagers, and similar sound-producing electronic devices are prohibited at this meeting. Please be advised that the Chair may order the removal from the meeting room of any person(s) responsible for the ringing or use of a cell phone, pager, or other similar sound-producing devices.

Lobbyist Ordinance

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Government's duty is to serve the public, reaching its decision in full view of the public. Commissions, boards, councils and other agencies of the City and County exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and that City operations are open to the people's review. For more information on your rights under the Sunshine Ordinance or to report a violation of the ordinance, contact: Administrator, Sunshine Ordinance Task Force, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco CA 94102-4689; by phone at 415 554 7724; by fax at 415 554 7854; or by email at sotf@sfgov.org.

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CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

EDWIN M. LEE, MAYOR

TREASURE ISLAND DEVELOPMENT AUTHORITY
MEETING AGENDA

June 22, 2011 – 2:30 P.M.

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

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Hon. Jane Kim *(Ex-Officio)*

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

ORDER OF BUSINESS

1. Call to Order and Roll Call

2. General Public Comment (Discussion Item) This item is to allow members of the public to address the Treasure Island Development Authority Board ("Authority Board") on matters that are within the subject matter jurisdiction of the Authority Board and that do not appear on the agenda. In addition to General Public Comment, Public Comment will be held during each item on the agenda.***
Estimated Length of Item: 10 minutes

3. Reports

a. Report by Director of Island Operations (Discussion Item)
This item is to allow the Director of Island Operations to report on staff activities, on-Island events and to make announcements.
Estimated Length of Item: 10 minutes

b. Report by Office of Economic & Workforce Development (Discussion Item)
This item is to allow the Office of Economic & Workforce Development to report on activities related to the transfer and redevelopment of former Naval Station Treasure Island.
Estimated Length of Item: 10 minutes

c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (Discussion Item)
This item is to allow the Treasure Island/Yerba Buena Island Citizen Advisory Board to report on activity at recent meetings of the Citizen Advisory Board.
Estimated Length of Item: 10 Minutes

4. Communications (Discussion Item)
Estimated Length of Item: 5 minutes

5. Ongoing Business by Board of Directors (Discussion Item)
Estimated Length of Item: 5 Minutes

6. CONSENT AGENDA
Estimated Length of Item: 5 minutes *(Action Item)*

All matters listed hereunder constitute a Consent Agenda, are considered to be routine by the Authority Board and will be acted upon by a single vote of the Authority Board. There will be no separate discussion of these items unless a member of the Authority Board so requests, in which event the matter shall be removed from the Consent Agenda and considered as a separate item.

a. Approving the minutes of the April 13, 2011 Regular Meeting, April 21, 2011 Special Meeting, April 21, 2011 Joint Meeting, April 27, 2011 Special Meeting and May 11, 2011 Regular Meeting

b. Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with the Boys & Girls Clubs of San Francisco for the Period from July 1, 2011 to June 30, 2012, in an amount not to exceed $133,000

c. Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with the Treasure Island Homeless Development Initiative for the period from July 1, 2011 to June 30, 2012 in an amount not to exceed $157,000

d. Resolution Authorizing the Director of Island Operations to Execute the Third Amendment to the Professional Services Agreement with the Embarcadero YMCA to Extend the Term on a Month-to-Month Basis through June 30, 2012

e. Resolution Authorizing the Director of Island Operations to Retroactively Execute a Special Event Use Permit with Black Rock Arts Foundation for the Treasure Island Great Lawn

f. Resolution authorizing the Director of Island Operations to execute (i) a Memorandum of Understanding Between the Treasure Island Development Authority and Catholic Charities CYO, a California nonprofit corporation, for the purpose of obtaining full-day child care services in Building 502 for the period from July 1, 2011 to June 30, 2012; and (ii) the Second Amendment to the Grant Agreement with Catholic Charities CYO to extend the term to June 30, 2012

g. Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Rubicon Enterprises, Inc. to Provide Landscape Services on a month-to-month basis for the period of July 1, 2011 through June 30, 2012, in an amount not to exceed $641,000

h. Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2011 and Expiring on June 30, 2012 in an amount not to exceed $102,600

i. Resolution Authorizing the Director of Island Operations to Retroactively Execute a Film Production Use Permit, Including Waiver of Permit Fees, with Indigo Films Entertainment Group

j. Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2011-2012

k. Resolution Authorizing a Fourth Amendment to the Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the Redevelopment of Former Naval Station Treasure Island

l. Resolution approving the Eighth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the development of the Treasure Island Marina.

m. Resolution approving a Fifth Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC, for the development of the Treasure Island Marina.

n. Resolution Authorizing the Treasure Island Redevelopment Project Director to Execute an Amendment to the Contract With AMEC Geomatrix, Inc. to Extend the Term through June 30, 2012

7. Resolution approving the Disposition and Development Agreement and Interagency Cooperation Agreement reflecting changes made by the San Francisco Public Utilities Commission, the Municipal Transportation Agency Board of Directors and the Board of Supervisors (Action Item)

Estimated Length of Item: 15 Minutes

8. Informational Presentation on 2011 GSGRA-BAC Rodeo Special Event (Discussion Item)
Estimated Length of Item: 10 Minutes

9. Discussion of Future Agenda Items by Directors (Discussion Item)
Estimated Length of Item: 5 Minutes

10. POSSIBLE CLOSED SESSION
If approved by the Authority Board, this closed session item will take place for approximately 30 minutes at the end of the meeting

a. Public comment on all items relating to closed session

b. Vote on whether to hold closed session to confer with real property negotiators (Action item)

1). CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Persons negotiating for the Authority: Rich Hillis, Michael Tymoff, Jon Yolles
Persons negotiating with the Authority: United States Navy, Treasure Island Community Development LLC, Treasure Island Homeless Development Initiative,
Property: Former Naval Station Treasure Island
Under Negotiation: Price: _____ Terms of payment:_____ Both: X

c. Reconvene in open session (Action item)
i. Possible report on action taken in closed session under Agenda Item 10 (Government Code section 54957.1(a)(1) and San Francisco Administrative Code Section 67.12)
ii. Vote to elect whether to disclose any or all discussions held in closed session (San Francisco Administrative Code Section 67.12).

11. Adjourn

Relevant documents such as resolutions, staff summaries, leases, subleases are available at the Treasure Island Development Authority Office, One Avenue of the Palms, Second Floor, Treasure Island, and the Government Information Center at the Main Library, 100 Larkin Street. Public comment is taken on each item on the agenda.

If any materials related to an item on this agenda have been distributed to the TIDA Board of Directors after distribution of the agenda packet, those materials are available for public inspection at Treasure Island Development Authority, Building One, 2nd Floor, One Ave. of Palms, San Francisco, CA 94130 during normal office hours.

Disability Access
The Treasure Island Development Authority holds its regular meetings at San Francisco City Hall. City Hall is accessible to persons using wheelchairs and others with disabilities. Assistive listening devices are available upon request. Agendas are available in large print. Materials in alternative formats and/or American Sign Language interpreters will be made available upon request. Please make your request for alternative format or other accommodations to the

Mayor's Office on Disability 554-6789 (V), 554 6799 (TTY) at least 72 hours prior to the meeting to help ensure availability.

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THE JOHN STEWART COMPANY

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MEMORANDUM

To: Mirian Saez, Director of Operations, Treasure Island Development Authority

cc: Suzanne Wood, Edison Capital; John Stewart, JSCo; Paula Schlunegger, JSCo; Jack Gardner, JSCo; Loren Sanborn, JSCo; Lynny Lee, JSCo; Ned York, JSCo; Connie Le, JSCo

From: Michael Smith-Heimer

Date: May 20, 2011

Subject: Percentage Rent for Treasure Island Housing Project Sublease for April 2011

Enclosed is our payment of Percentage Rent in the amount of $367,707 for the April period, calculated per the sublease agreement. This figure is based on the accompanying attachments. You should note that these expenses reflect a suspension of reserve funding as outlined in the sublease requirements but continue to include accrued funds to pay Possessory Interest charges of the property.

Calculation of Funds Available for Distribution

TIDA receives 95% revenues remaining after adjusting gross revenues by operating expenses, current accretion due and the repayment of ledger balances based on sublease specifications. Funds expended for replacement reserve eligible items are expensed in the period expenses are recognized. To the degree that these costs are reimbursed from the replacement reserve account, percentage rent will be adjusted in the period that the reserve draw is approved.

For the month of April 2011, Actual Total Revenues were 6 % above Budgeted Total Revenues while Actual Total Operating Expenses were below Budgeted Total Operating Expenses by about 5.9%. The result was that Funds Available for Distribution were above budget by about 25.6%.

Calculation of Percentage Rent

Based on operations, a total of $387,060 in adjusted Gross Revenues after costs of operations are available for distribution for the April period. These revenues are distributed as follows:

April 2011 Distributions	Actual	Budgeted
Available for Distribution	$387,060	$308,275
Percentage rent for TIDA	$367,707	$292,861
Percentage rent for JSCO	$19,353	$15,414

This percentage rent breakdown reflects the current year split by TIDA/JSCo. Beginning with April 2005 disbursements, TIDA receives 95% of revenues after expenses, while the John Stewart Company percentage is 5% of the amount.

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COMPARISON TO BUDGET April 2011

	April				YEAR TO DATE			
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance
Total Revenue	863,918	814,828	49,090	6.02%	3,493,345	3,259,312	234,033	7.18%
Marketing	3,629	9,565	(5,936)	-62.06%	15,173	38,260	(23,087)	-60.34%
Administrative	75,435	74,998	437	0.58%	276,097	299,992	(23,895)	-7.97%
Utilities	117,031	117,030	1	0.00%	475,007	468,120	6,887	1.47%
O&M	145,988	167,109	(21,121)	-12.64%	616,223	668,436	(52,213)	-7.81%
EOY Reconciliation								
Tax Ins (inc. community room and finance exp)	35,179	34,550	629	1.82%	135,109	138,200	(3,091)	-2.24%
Rent	48,752	48,301	451	0.93%	192,046	193,204	(1,158)	-0.60%
Reserves		-	-		-	-	-	
Replacement (excl. anticipated draw)	50,843	55,000	(4,157)	-7.56%	174,544	220,000	(45,456)	-20.66%
Total Expenses	476,857	506,553	(29,696)	-5.86%	1,884,199	2,026,212	(142,013)	-7.01%
					-			
Available for Distribution	387,060	308,275	78,785	25.56%	1,609,145	1,233,100	376,045	30.50%
Available for Distribution	387,060	308,275	78,785	25.56%	1,609,145	1,233,100	376,045	30.50%
TIDA	367,707	292,861	74,846	25.56%	1,528,688	1,171,445	357,243	30.50%
JSCo	19,353	15,414	3,938	25.56%	80,457	61,655	18,801	30.49%

E... ...ATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
April 2011 Operations for Treasure Island Project

DRAW	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146	Draw 147
Units ready for occupancy at Beginning of month	570	570	570	570	570	570	570	570	570	570	570	570
Units Leased and Occupied during month												
Aggregate Units Leased and Occupied during month	463	458	440	438	434	432	426	421	417	414	410	405
Average Unit Rent												

	May	June	July	August	September	October	November	December	January	February	March	April
REVENUE FROM OPERATIONS												
Estimate of Gross Revenue	1,139,125	1,138,988	1,138,861	1,134,652	1,132,853	1,143,291	1,127,531	1,123,482	1,121,573	1,121,915	1,122,764	1,123,118
Adjustment for Move-In Timing	-169,428	-175,068	-188,133	-195,813	-214,147	-223,147	-239,544	-238,009	-241,993	-254,624	-260,798	-271,552
Financial Income (inc. marketing from Sept. 2008 onward)	783	713	684	718	690	658	531	579	617	553	452	518
Credit Check Revenue												
Other Revenue	12,629	7,437	17,226	23,974	11,923	-1,829	60,780	183,710	7,430	6,215	5,104	11,637
Gross Revenue Collected	983,350	972,017	984,768	962,531	930,477	919,279	947,398	1,069,672	887,625	874,258	867,544	863,918
EXPENSES FROM OPERATIONS												
6300 ADMINISTRATIVE EXPENSES												
6250 Advertising/Marketing	1,063	971	971	1,011	971	1,000	971	-971	0	0	0	0
6260 Credit Reports	713	675	676	1,434	1,203	861	850	637	805	1,341	1,400	850
6267 Model Unit/Office TI												
6310 Office Salaries	10,091	17,078	16,029	16,741	16,334	18,801	16,301	10,114	16,635	17,074	18,489	18,105
6311 Office Supplies	3,168	1,424	4,582	4,374	932	3,815	2,523	3,307	4,550	1,807	3,443	3,892
6315 Furniture Lease												
6316 Consulting Expense												
6319 Office Supplies Environmental												
6320 Management Fee	26,025	26,000	28,712	28,858	30,106	24,925	26,304	25,730	29,493	23,087	29,783	26,211
6326 Temporary Services								0	0	0	0	0
6330 Manager/Supervisor	5,983	5,700	5,983	5,983	5,700	5,983	5,700	7,066	6,277	5,629	6,222	6,021
6331 Staff Units	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,600	2,603	2,603	2,603	2,603
6333 Payroll Suspense												
6340 Legal Expenses	-401	-367	1,845	0,751	10,028	3,223	4,343	898	584	11,224	4,428	400
6341 Legal Environmental												
6350 Audit Fee/Bookkeeping	3,450	0	0	0	0			0	1,012	3,685	7,112	2,930
6360 Telephone	1,721	1,736	1,667	1,743	2,256	1,188	1,287	1,255	1,290	1,120	1,168	1,444
6370 Collection Loss	-60	-510	4,758	-105	-1,272	10,422	-300	11,192	0	0	-46	13,040
6380 Miscellaneous Administrative	144	0	310	0	451	223	2,875	0	0	525	525	592
6385 Mileage/Travel	222	134	148	178	124			690	200	165	277	394
6386 Vehicle Lease & Insurance				0	0							0
6392 Seminars/Training				0	0			0			2,100	0
6393 Temporary Services												0
6394 Community Outreach												
6395 Administrative Services												
6396 Computer Charges	3,930	187	322	187	259	187	187	187	787	209	185	187
6398 Rent Credits												
Remediation Expense								0				
Subtotal: Administrative Expenses	70,834	58,787	70,577	71,860	72,690	62,905	60,859	72,432	67,929	69,223	76,863	79,854
UTILITIES												
6450 Subtotal: Utilities	127,976	127,424	130,235	129,678	125,923	124,262	123,628	124,620	120,473	110,325	118,178	117,031
6580 Navy CAM Charge	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242	28,242
6500 OPERATING AND MAINTENANCE												
6510 Janitorial Payroll												
6515 Janitorial Supplies	1,052	138	0	0	175	664	0	297	665	475	211	0
6517 Contract Cleaning	1,150	650	850	1,610	1,540	650	840	1,340	110	160	420	1,140
6519 Exterminating/Supplies	850	805	1,155	1,025	1,260	3,830	1,067	2,800	2,003	2,350	3,715	3,880
6521 Operation/Maintenance Rent Free Unit	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825	1,825
6525 Rubbish Removal	18,728	-2,555	18,488	21,411	13,342	24,037	16,000	17,738	19,457	16,895	17,221	22,350
6530 Security Contract	14,450	5,475	8,425	8,451	7,440	8,050	14,005	7,338	7,216	7,513	17,017	7,558
6532 Security Supplies	4,622	-3,415	5,545	1,665	0,448	520	179	601	499	388	1,633	358
6533 Fire Alarm Expenses	1,820	3,468	0	270	457		0	0	1,034	0	0	1,176
6530 Maintenance Contracts										0		
6534 Tree Maintenance					1,440	030	1,440	03,727	6,823	0	33	
6536 Grounds Supplies										0		
6537 Grounds Contract	53,624	9,115	69,938	38,752	39,644	51,050	41,237	39,644	39,644	39,044	38,644	39,729
6539 YBI Maintenance Payroll				0								
6510 Maintenance Payroll	17,594	17,240	13,776	16,624	13,103	14,227	13,002	14,052	14,750	12,703	17,042	19,252
6541 Repairs Material	5,569	2,464	4,365	0,975	6,640	14,648	2,130	5,357	16,527	8,349	11,248	3,177

ESTIMATE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
April 2011 Operations for Treasure Island Project

DRAW	Draw 126	Draw 127	Draw 128	Draw 129	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146	Draw 147
Units ready for occupancy at Beginning of month	578	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month												
Aggregate Units Leased and Occupied during month	453	458	449	438	434	432	428	421	417	414	410	405
Average Unit Rent												
	May	June	July	August	September	October	November	December	January	February	March	April
6542 Repairs Contract	1,762	-0,880	1,770	0	4,221	3,825	1,200	1,000	9,541	-9,974	4,443	5,461
6543 Plumbing Maintenance (includes $618 EOY adjustment in December, 2004)	12,383	4,649	11,526	3,234	1,182	3,951		7,916	1,278	2,100	30,008	6,651
6544 Electric Maintenance	2,391	0,064	8,516	2,652	1,601	6,375	1,110	1,455	0	0		
6545 Elevator Maintenance									0	0		
6546 Heating and Cooling (includes $391 EOY adjustment in December, 2004)	3,210	2,973	0	0	151	0	1,638	2,117	2,683	0		
6548 Payroll Environmental				0								
6549 Repair Material Environmental				0			1,225	0				
6553 Appliance Repairs			0		59	100	115	0	0	738		
6554 Windows Repairs									0	0		
6555 YTI Maintenance Repair									0	0	2,716	
6560 Painting and Decorating (includes adj for August 2007)	5,428	-3,043	1,180	2,204	1,698	273	11,752	0	0	0		
6562 Roof Repairs/Contract									0			
6565 Furniture rent – Temp Relocation									0			
6570 Vehicle Lease	1,120	584	711	2,056	410	2,489	428	0	556	621	1,115	726
6572 Maint and Equipment Repair (includes $789 EOY adjustment in Dec)												
6590 Misc. Oper and Maintenance	33,373	-63,600	21,762					2,114		1,890	0	
6573 Uniform/Laundry Service	0	0					1,354	320	100	38	604	259
6574 Repairs contract Other		247,264	-38,045	16,795	11,858	0		0	2,504	20,048	2,650	3,250
6598 Fire Damage Costs	0	0										
7230 Interior Replacement (eligible for RR Draw)	-1,048	20,106	28,622	20,392	14,035	11,110	21,913	14,139	20,850	7,100	8,640	9,116
7220 Appliance Replacement (eligible for RR Draw) (includes $2,160 EOY adj) in	16,309	15,670	15,375	10,313	17,151	10,456	11,782	0	4,672	9,230	4,917	937
7250 Relocation Expense												
7240 Exterior Replacement (eligible for RR Draw) (includes $9,320 EOY adj) in Dec	46,555	25,332	19,586	1,207	5,826	9,002	101,269	0	14,165	42,715	11,705	40,521
Subtotal: Operating and Maintenance	244,942	278,860	193,095	161,444	151,362	171,017	249,734	211,107	169,356	163,512	178,304	168,939
6700 TAXES/INSURANCE												
6710 Taxes – Real Estate												
6711 Payroll Taxes	4,543	3,776	3,068	3,760	3,445	3,565	3,438	4,502	6,088	4,620	4,185	4,103
6700 Misc Licenses/Permits (inc. marketing in September, 2000 on)								0	0			
6720 Property Insurance (inc. adj for Insurance Claims and YTD adj)	12,898	2,929	12,785	63,829	34,691	12,656	11,936	37,981	13,313	13,313	13,313	13,313
6721 Fidelity Bond	2,735	0						0	0		0	2,273
6722 Workers Compensation (includes $11 EOY adjustment in Dec)	4,662	2,746	2,825	1,713	2,521	2,285	2,550	2,877	2,634	2,758	3,370	3,434
6723 Employee Health and Life Insurance (includes 401(k)	4,858	4,558	4,373	4,373	4,657	4,657	4,657	4,657	5,226	5,224	5,083	5,274
401(K) Matching Contribution estimate	580	580	580	580	580	580	580	580	580	580	1,136	617
6710 Possessory Interest Tax	6,105	6,105	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085	6,085
Base Rent Payment	47,765	47,765	47,765	47,765	47,765	47,765	47,765	47,765	47,765	47,765	47,765	48,752
Subtotal: Taxes/Insurance	84,146	68,760	78,082	117,915	99,744	77,791	77,213	104,137	81,741	80,543	80,939	83,831
Note: Includes ajustment for Insurance Claim expense for JULY of 11,834.1												
6800 SERVICE EXPENSES												
6891 Recreation Salaries												
6892 Recreation Supplies (includes -$150 EOY adjustment in Dec)	0	0	0	168	6,000	60	0		0	0	0	0
6895 Jitney									0	0	0	0
Subtotal: Services	0	0	0	168	6,000	60	0		0	0	0	0
7000 Replacement Reserve Eligible Expenses												
7100 CORPORATE EXPENSES												
7120 Legal Expenses												
7130 Federal Income Tax												
7131 State Income Tax												
Subtotal: Corporate Expenses												
Adjustment for Operating Expense actuals for 2003 (reversal in Dec 2004)												
TOTAL OPERATING EXPENSES	558,148	681,874	600,221	608,639	483,660	454,238	544,666	537,238	467,771	460,846	478,726	476,857
Monthly Expense per Unit (Net of Replacement Reserves)												
Less Reserves	11,580	11,580										
Marketing Expenses												
TOTAL EXPENSES	557,700	673,434	600,221	608,639	483,660	454,238	544,666	537,238	467,771	460,846	478,726	476,857
Total Expenses Net of Environmental	557,700	673,434	600,221	608,639	483,660	454,238	543,441	537,238	467,771	460,846	478,726	476,857
Per Unit Monthly Expenses (of occupied units – Net of Environmental)												
Per Unit Monthly Expenses (occupied unit pro rata of Total Expenses)												
TOTAL ENVIRONMENTAL EXPENSES	0	0	0	0	0	0	1,225	0	0	0	0	0

S[illegible]LE OF REVENUES AND OPERATING EXPENSES FROM OPERATIONS
April 2011 Operations for Treasure Island Project

TIAIAW	Draw 136	Draw 137	Draw 138	Draw 139	Draw 140	Draw 141	Draw 142	Draw 143	Draw 144	Draw 145	Draw 146	Draw 147
Units ready for occupancy at Beginning of month	578	578	578	578	578	578	578	578	578	578	578	578
Units Leased and Occupied during month												
Aggregate Units Leased and Occupied during month	455	458	440	436	434	433	428	421	417	416	410	405
Average Unit Rent												

	May	June	July	August	September	October	November	December	January	February	March	April
CHOSS RESEARCHT OF REVENUES (For Estimate Agreement)	May 2010 Actuals	June 2010 Actuals	July 2010 Actuals	August 2010 Actuals	September 2010 Actuals	October 2010 Actuals	November 2010 Actuals	December 2010 Actuals	January 2011 Actuals	February 2011 Actuals	March 2011 Actuals	March 2011 Actuals
Adjusted Gross Revenue	888,930	873,017	864,701	882,861	836,477	919,378	897,308	1,000,675	887,875	874,200	887,644	883,910
Less Rent Free	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-47,705	-49,793
Less Operation Expenses (including EOY reconciliation for payroll)	451,108	458,078	-385,919	-403,774	-377,446	-383,305	-442,204	-438,402	-392,371	-360,872	-370,038	-373,852
Less CAM Charge	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242	-28,242
Less Replacement Reserve Funding	-11,500	-11,500	0	0	0	0	0	0	0	0	0	0
Management Fee	-30,075	-29,800	-29,713	-29,860	-30,106	-34,075	-30,304	-30,730	-30,483	-29,687	-30,069	-30,211
Less Marketing Fee	0	0	0	0	0	0	0	0	0	0	0	0
Attrack ka security deposits												
Total Operating Expenses	-507,700	-573,434	-500,221	-508,630	-483,500	-484,330	-544,505	-537,230	-487,771	-490,040	-470,720	-470,857
Revenues Net of Operating Expenses	410,608	308,584	464,037	453,941	448,016	435,039	422,723	532,434	410,815	413,412	388,816	387,080
Lodgor Distribution for Project												
Accretion for Project												
Adjustment for Actual Accretion in May ($38,608 vs. $33,666)												
Adjustment for Actual Accretion in June ($33,608 vs. $10,947)												
Adjustment to Phoenix Processing Income Rate June 2008												
Developer Fee due based on Assumption 3)												
Affordable Construction Costs												
Total Expenses for Construction and Lodgor Accrual Activities												
Revenues Remaining for Distribution to Partnership Host	410,608	308,584	464,037	453,941	448,016	435,039	422,723	532,434	410,815	413,412	388,816	387,080
TIHA Share of Revenues (Partnership Host)	-307,755	-370,055	-441,598	-431,344	-434,576	-413,287	-401,387	-505,813	-388,883	-392,742	-368,977	-367,787
JSCo Share of Revenues (Partnership Host)	-20,533	-18,628	-23,227	-22,097	-22,040	-21,752	-21,130	-26,622	-20,933	-20,670	-18,441	-19,353
Total Partnership Host Distribution	410,608	-308,584	-464,037	-453,041	-448,016	-435,039	-422,723	-532,435	410,815	-413,412	-388,816	-387,080
Ending Balance Gross Revenue	0	0	0	0	0	0	0	0	0	0	0	0

Ent	Name	Acct No	Account Name	Invoice	Date	P.O. Num	Reference	Net
TRI00	Villages at Treasure	7141-000	% Rent - TIDA	% Rent	5/20/2011		May11 % Rent	367,707.00

MAY 23 2011

Payor:	TREASURE ISLAND-RES.	Date	Check No.	Check Amount
Payee:	Treasure Island Dvlpmnt Authority	5/20/2011	010416	367,707.00

Retain this statement for your records

DO NOT CASH THIS CHECK UNLESS YOU CAN FIRM PLAY TO 5 YEARS. READ WARNING ON BACK OF CHECK

TREASURE ISLAND-RES.
The John Stewart Company, Trustee
1388 Sutter Street, 11th Fl
San Francisco, CA 94109

WestAmerica Bank
90-4021/1211
Sausalito, CA 94965

COPY

Date	Check No.	Check Amount
5/20/2011	010416	**$367,707.00**

Three Hundred Sixty Seven Thousand Seven Hundred Seven AND 00/100 Dollars

VOID IF NOT CASHED WITHIN 180 DAYS OF ISSUANCE

Pay to the order of:

Treasure Island Dvlpmnt Authority
2nd Floor, Treasure Island
One Avenue of the Palms
San Francisco, CA 94130

RUB BLUE IMAGE SECURE AREAS TO SHOW THE WORD *"VALID"*

⑈10416⑈ ⑆121140218⑆ 0506928621⑈

SAN FRANCISCO POLICE DEPARTMENT
SOUTHERN STATION
850 BRYANT ST
SAN FRANCISCO, CA. 94103
OFFICE #: (415) 553-7959
FAX # (415) 553-9722

Fax Transmittal Sheet

DATE:	June 1, 2011
AGENCY:	Treasure Island Development
FAX NUMBER:	(415) 274-0299
ATTENTION:	Marianne Thompson
SENT BY:	Larry Bertrand
PHONE #:	(415) 553-7959

COMMENTS:

Mariane,

Here are the May, 2011 stats for Treasure Island. Let me know if there is anything further you need.

Thank you.

Larry Bertrand

Number of pages, Including Cover Sheet: 2

ATTACHMENT A

OCC. DATE	REP. DATE	LOCATION	TYPE	COMMENTS	CASE NUMBER
5/30/11	5/30/11	Ave H/13th St	Robbery Attempt	Unknown Suspect	110436490
5/29/11	5/29/11	888 Ave H	Auto Burglary	Unknown Suspect	110433753
5/28/11	5/29/11	1306 Gateview Ave	Robbery w/Gun	Unknown Suspect	110435549
5/28/11	5/28/11	1316 Gateview	Lost/Found Person	Non Suspect Incident	110430276
5/20/11	5/20/11	1139 Ozbourn Ct	Vandalism	Unknown Suspect	110408223
5/13/11-5/16/11	5/17/11	1439 Chinook	Courtesy Report	Non Suspect Incident	110398248
5/15/11	5/15/11	1250 13th St	Vehicle Vandalism	Unknown Suspect	110392228
5/10/11-5/11/11	5/11/11	1243 Northpoint Dr	Threatening Phone Calls	Unknown Suspect	110381384
3/1/11-5/9/11	5/9/11	1201 Bayside Dr	Battery	Known Suspect	110376119
5/8/11	5/8/11	1245 Northpoint Dr	Burglary	Unknown Suspect	110372593
5/8/11	5/8/11	1301 Gateview Dr	Missing/Found Person	Non Suspect Incident	110371733
3/7/11-5/7/11	5/7/11	1254 13th St	Burglary	Unknown Suspect	110369681
5/6/11	5/6/11	1139 Ozbourn Ct	Vandalism	Unknown Suspect	110367845
5/4/11	5/4/11	1216 Gateview Ct	Battery	Known Suspect	110362475
4/30/11-5/2/11	5/2/11	749 9th St	Vandalism	Unknown Suspect	110354739
5/2/11	5/2/11	620 Ave I	Vandalism	Unknown Suspect	110356898
5/1/11	5/1/11	1246 Gateview Ct	Vandalism	Unknown Suspect	110351989
				TOTAL	17

Part 1 Crimes May, 2011

Arson
Burglary 3
Assault 1
Robbery 2
Sex Offenses 0
Homicide 0
Vehicle Theft 0
Arson 0
Larceny 0
Total 6

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

TO: Mayor Edwin M. Lee

CC: Steve Kawa, Chief of Staff
Amy Brown, Acting City Administrator
Linda Yeung, Deputy City Administrator

FROM: Mirian Saez, Director of Island Operations

RE: Treasure Island Informational Update

DATE: June 2, 2011

TIDA 2011-2012 Budget

On March 22, 2011 the Treasure Island Development Authority Board of Directors approved the fiscal year 2011-2012 TIDA budget. There are two major changes proposed. The first change is the consolidation of the operation and redevelopment budgets to reflect the proposed Disposition and Development Agreement ("DDA") with Treasure Island Community Development (TICD) and the proposed Economic Development Conveyance (EDC) MOA with the Navy. The second change is the expansion of our MOU with GSA for direct management of accounts receivable and payable. The budget will continue to focus on the residents and sustaining tenant services. TIDA secures its services through work orders, grants, and direct funding. In preparing the budget, Staff adhered to the Mayor's Directive and reduced Professional Services and City Department Work-Orders by 10%. The City Department Work-Orders total $2,873,849 and Social Services Contracts total $1,228,100.

Treasure Island Flea Market

On Saturday May 28, 2011 the Treasure Island Flea Market held its inaugural weekend. The flea market vendors sold a diverse selection of items from original clothing, furniture from reclaimed ship's wood, unique jewelry, sport collections, antique pinball machines and gourmet food vendors. The flea market was open from 9am to 4pm each day with a $3.00 entrance fee. Despite the inclimate weather, a holiday weekend and work on the Bay Bridge, co-founders Angie and Charles Ansanelli estimated that there were over 1000 guests for the two days. The Treasure Island Flea Market will be a monthly event - the last weekend of every month for the next six months.

Bliss Dance

On Thursday, May 26, 2011 TIDA and Black Rock Arts Foundation welcomed 300 guests to view Sculpture Marco Cochrane's 40 foot *Bliss Dance* Statute to the Island. The installation was the first sculpture approved pursuant to the Treasure Island Development Authority's public art policy, a policy the Authority hopes will encourage additional sculptural displays and will seed the Island's planned Art Park.

Artist Marco Cochrane constructed the forty foot tall *Bliss Dance* statue out of steel rod and tubing utilizing two layers of geodesic triangles, covered by a skin of stainless steel mesh. She is lit from both

inside and outside by 1,000 LED lights controlled by a customized iPad application, with spectacular results. *Bliss Dance* is scheduled to be on the Island for six months.

Treasure Island Emergency Housing Plan
Staff is working with the Department of Human Services and the Treasure Island Villages to formalize a protocol and procedure for potential future use of housing units within the Villages portfolio for emergency temporary housing of City residents displaced by fire or other such incident, as requested by Mayor Edwin Lee.

On-Island Filming
Hemingway and Gelhorn – Located in Hangar 3, *Hemingway and Gelhorn* - -starring Nicole Kidman and Clive Owen, is leasing space for set construction and filming, including the "Copacabana" nightclub.

Knife Fight – Located in a portion of the Admiral's Wing in the Administration Building, *Knife Fight*- - staring Rob Lowe, is leasing office space in support of the Bill Guttentag film.

New Leases (In support of small business growth)
Far West – Located in a portion of Building 216, formerly the Navy Recreational Vehicle Shed, Far West is leasing storage space.

S3H – Located in a portion of Building 33, formerly the Treasure Island School, S3H is a consulting company leasing office space.

Quality of Life Issues
Planned PUC Power Outage – On April 16, 2011 the Public Utilities Commission performed a complete six hour shutdown of the electrical system on Treasure and Yerba Buena Island to repair the 12-kilevolt switchgear located inside Hanger 3. One of the high voltage circuits within the switchgear had failed. Given the age of the switchgear, there were no commercial replacement parts available. New parts had to be fabricated. The outage was scheduled for off peak hours in order to minimize disruption to the Islands. TIDA staff coordinated with the residents, commercial tenants, Job Corps, the Coast Guard, San Francisco Police Department, San Francisco Fire Department, DEM, and 311.

CFL Change Over – As part of an ongoing effort to make the Island more energy efficient, TIDA Staff and the Housing Providers worked with PUC to convert all incandescent light bulbs in the residential units to CFLs. In total 762 units had all of the interior and exterior lights changed out to CFLs for a total of 6669 bulbs.

Upcoming Special Events
TI Flea Marketplace - May through November 2011 - last weekend of month – **New Event**
SF Triathlon - July 8 - 11, 2011
GSGRA-BAC Gay Rodeo 2011 - September 2011 – **New Event**
Susan B. Komen Walk Campsite - September 10 – 11, 2011
California Dragon Boat Festival - September 17 – 18, 2011
Oracle Openworld Event - October 5, 2011
Fleet Week Weekend - October 8 – 9, 2011
TI Music Festival – October 15 – 16, 2011

CITY & COUNTY OF SAN FRANCISCO

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SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

June 16, 2011

Mr. Michael Martin
Project Director – 34th America's Cup
Office of Economic and Workforce Development
San Francisco City Hall, Room 448
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Re: Helipad Usage on Treasure Island for 34th America's Cup

Dear Mr. Martin:

I write on behalf of the Treasure Island Development Authority (TIDA) regarding the City and County of San Francisco's agreement with the America's Cup Event Authority and the America's Cup Organizing Committee for the 34th America's Cup (AC34) in the period from July 2012 to September 2013. As the office that is charged with the interim re-use and long-term redevelopment of the former Naval station, TIDA executes Use Permits and Subleases for the use of buildings and grounds on a fee basis for Treasure Island, including use of property for special events. Use of Treasure Island as a helipad for helicopter operations requires approval from the United States Navy Caretaker Site Office (Navy CSO).

TIDA is highly supportive of San Francisco's Host City status for AC34 and encourages the City and the America's Cup Event Authority to make use of TIDA's existing facilities. In order to aid your planning process, I wish to make you aware of the participants, process and protocol associated with any proposed use of Treasure Island as a helipad for helicopter operations associated with AC34. All proposals for helipad use on-Island require initial review and approval by the Navy CSO. In order to initiate this Navy CSO review period for proposed AC34 helicopter operations, the following information is required:

- Schedule of proposed landings
- Name of helicopter company/operator
- Make, model, size of helicopter(s)
- Entity which will be responsible for management of helipad and for helicopter operations.
- Proof of appropriate aviation liability insurance as required by the US Navy.

If the Navy CSO grants permission to use Treasure Island for helicopter operations, the Navy CSO will issue TIDA a license. This license will then enable TIDA to entertain issuing a Use Permit for Helicopter Operations to the AC34 Event Authority or alternate entity assuming

responsibility for use of Treasure Island as a helipad for helicopter operations. Prior to commencement of any helicopter landings, a Caltrans Temporary Helipad Permit will also be required to assure the landing site and associated onsite safety markings and equipment are to appropriate safety standards.

As this review and approval process can take up to three months, I encourage your office to not hesitate to contact me at (415)-274-0669 should your office or the AC34 Event Authority require any additional information at this time. TIDA looks forward to working with the City and all additional participants to ensure all necessary approvals and environmental reviews for the use of a helipad at Treasure Island are completed.

Sincerely,

Mirian Saez
Director of Island Operations

Cc: Treasure Island Development Authority Board of Directors
Jennifer Matz, Office of Economic and Workforce Development
Brad Benson, Special Projects Manager, Port of San Francisco
File

CITY & COUNTY OF SAN FRANCISCO

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ONE AVENUE OF THE PALMS
BLDG ONE 2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To:	Treasure Island Development Authority Board of Directors
From:	Mirian Saez, Director of Island Operations
Date:	June 17, 2011
Re:	Use Permit and Film Permit Waivers and Reductions

The following waivers and reductions were granted for short-term Use Permits and Film Permits between May 7 and June 3, 2011

Fee Waivers:
- Oakland Police Department – Hangar 3 – May 16; June 6, 2011
- California Department of Transportation – Casa de la Vista – May 25, 2011
- Delancey Street Foundation/Delancey Life Learning Academy – Great Lawn (Event Permit) - May 30, 2011
- San Francisco Police Department – YBI Quarters 240 – June 3, 2011
- Treasure Island Homeless Development Initiative – Casa de la Vista – June 6th, 2011
- Berkeley Police Department – Hangar 3 – June 16, 2011

Security Deposit Waivers:
- AIDS Emergency Fund – various outdoor locations (Photo Permit) – May 7 – 8, 2011
- Halprin Inc. – Pavilion by the Bay parking lot (Photo Permit) – May 22, 2011

Reductions:
- AIDS Emergency Fund – various outdoor locations (Photo Permit) – May 7 – 8, 2011
- Indigo Films – 1213A Bayside Drive, various outdoor locations (Film Permit) – May 16, 2011
- Halprin Inc. – Pavilion by the Bay parking lot (Photo Permit) – May 22, 2011

Treasure Island Development Authority
Subleases and Permits Executed
Pursuant To Leasing Policy
As of June 17, 2011

Location / Facility	Agreement Number	Leasehold Status (new / expired)	Company Name / Prospective Subtenant	Commencement Date/Event Date	Leasehold Type	Sq. Ft.	Monthly Rent/ Permit Fee	Comments
Great Lawn	P-426	New	Pacificsound	6/12/11	Special Event		$2,000	
Great Lawn	P-443	New	Chris Dadzitis	5/14/11	Special Event		$2,000	
Ave H btwn 11th and 13th	P-437	New	SF Gaelic Athletic Assn.	5/14; 5/15; 5/21; 5/22; 6/4; 6/5/11	Special Event		$1,500	
Ave of Palms, 9th St at Ave of Palms	P-444	New	Team Halprin Inc.	5/16/11	Photo production		$500	
Miscellaneous exterior	P-446	New	Indigo Films	5/20/11	Film production		$500	
Great Lawn	P-356	New	McCullum Youth Court	5/22/11	Special Event		$1,600	
Clipper Cove	P-448	New	Treasure Island Enterprises	5/18/11 – 6/10/11	Pre-development sampling		Waived	
Great Lawn	P-451	New	BRAF	5/26/11	Special Event		Waived	
Great Lawn	P-452	New	Delancey Street Foundation	5/30/11	Special Event		Waived	
Eucalyptus Parking Lot	P-453	New	Knife Fight LLC	6/1/11 – 7//8/11	Film Production parking		$2,500	
Building 330	438	New	Sol Rouge LLC	5/1/2011	Wine storage	4,030 SF	$1,000/mo	
Building 141 / 448	439	New	Sol Rouge LLC	5/1/2011	Wine storage	1210 SF	$300/mo	

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MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

To:	Treasure Island Development Authority Board of Directors
From:	Mirian Saez, Director of Island Operations
Date:	June 17, 2011
Re:	Treasure Island/Yerba Buena Island Emergency Planning and Preparedness

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This memo serves to respond to Director Del Carlo's request for information on TIDA emergency planning efforts and City and County of San Francisco emergency preparedness efforts and resources located on-Island.

Treasure Island/Yerba Buena Island Emergency Response Plan

Created in 2009 by URS Corporation and TIDA staff in consultation with the City's Department of Emergency Management (DEM), the TI/YBI Emergency Response Plan (ERP) document and accompanying Hazard Analysis document dictates the responsibilities of on-Island City departments during incident response, describes how the Unified Command on-Island will coordinate and prioritize response operations, and describes the coordination between the Island Unified Command, City department's Departmental Operations Centers (DOCs), and the City's Emergency Operations Center (EOC). These responsibilities on-Island mirror those departments' responsibilities and functions in San Francisco incident response as dictated in the City's Emergency Response Plan and annexes. Also included in the TI/TYBI ERP document are four annexes which seek to address specific operational functions which may be necessary during on-Island incident response: damage assessment, resource transportation, care and shelter, and evacuation.

City and County of San Francisco Emergency Response Supplies

In addition to standard equipment kept on-Island for day-to-day operations, the following City department equipment caches and equipment trailers are securely stored on-Island for use in Island disaster response and care and shelter operations.

- San Francisco Department of Public Health Field Care Clinic trailer
- San Francisco Fire Department Mass-Casualty Incident (MCI) medical response trailer
- San Francisco Department of Emergency Management Care and Shelter equipment trailer
- American Red Cross Care and Shelter equipment cache

Outdoor Public Warning System

City and County of San Francisco Outdoor Public Information Warning System equipment is installed on both Treasure Island and Yerba Buena Island. This equipment broadcasts the "Tuesday Noon Siren" as well as vocalized public information in the same manner as the Warning System equipment installed throughout the City.

San Francisco Fire Department Neighborhood Emergency Response Team (SFFD NERT) On-Island participation

Seven NERT Classes have been held on-Island in the past five years, with 120 total graduates becoming certified through on-Island NERT classes. Approximately 50 Island residents and community members are currently NERT-certified, as are approximately 70 Job Corps students and staff.

Community Information and Notification

Communications from TIDA and monthly Good Neighbors of TI/YBI newsletters continually emphasize and update information regarding emergency resources available to the community including:

- Department of Emergency Management's community preparedness website "72Hours.org"
- "AlertSF" text message emergency notification system.

"Big Rumble" and "Great ShakeOut" On-Island Community Participation

The Big Rumble is a biannual series of events sponsored by DEM and the American Red Cross designed to connect the Bay Area with preparedness resources during Earthquake Preparedness Month (April) and the 1989 Loma Prieta Earthquake Anniversary (October). On October 23, 2010 San Francisco Fire Department Station 48 hosted a Treasure Island "Big Rumble" block party event, engaging residents with the NERT program and the American Red Cross.

The Great California ShakeOut is a drill sponsored by the U.S. Geological Service and the California Emergency Management Agency designed to educate the public about how to protect themselves during a large

earthquake, and how to get prepared. On April 28th, TI Job Corps Campus participated in a campus-wide exercise as part of Great ShakeOut activities taking place state-wide on that day.

TI/YBI ERP Tabletop Exercise

In August of this year, TIDA and the appropriate City agencies and on-Island stakeholders will exercise this 2009 ERP document in a tabletop exercise meant to simulate the actions taken by TIDA and on-Island responding City departments under the Unified Command structure and to identify necessary improvements and revisions to the current 2009 iteration of the ERP document. TIDA staff also regularly participates in tabletop and simulated exercises of elements of the CCSF Emergency Response Plan and in simulation exercises of regional incident response hosted and coordinated by DEM.

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WWW.SFTREASUREISLAND.ORG

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

FOR IMMEDIATE RELEASE:
Monday, May 18, 2011
Contact: Treasure Island Development Authority 415-274-0662
Julia Whitelaw 415-425-9637

*** PRESS RELEASE ***

TREASURE ISLAND WELCOMES BLISS DANCE

SAN FRANCISCO - TREASURE ISLAND, CA- Today marks the completion of the installation of the first sculpture approved pursuant to the Treasure Island Development Authority's public art policy, a policy the Authority hopes will encourage additional sculptural displays and seed the Island's planned Art Park. The installation of *Bliss Dance* and future Art Park are in keeping with plans to highlight the Island as a Recreation Destination featuring a series of grand-scale, sculptures meant to take advantage of and enhance the Island's unparalleled views of San Francisco Bay.

At forty feet tall, *Bliss Dance* depicts a woman dancing with her eyes closed. A marriage of classical sculpture technique and modern design, artist Marco Cochrane constructed Bliss Dance out of steel rod and tubing utilizing two layers of geodesic triangles, covered by a skin of stainless steel mesh. She is lit from both inside and outside by 1,000 LED lights controlled by a customized iPad application, with spectacular results. Held together by 55,000 welds and supported by six, 2.5-inch solid steel rods in the weight bearing ankle, with a substructure only 18 inches deep due to the nature of the ground on which she stands, Bliss Dance is a manifestation of the artist's goal to marry the masculine feel of triangles, trusses and steel with the feminine form and spirit.

> *"We welcome this magnificent art form, congratulate the artist and invite the Bay Area to visit her as she is displayed against an equally magnificent San Francisco skyline, befitting of her grandeur," said Mirian Saez, Director of Island Operations.*

To create *Bliss Dance*, Cochrane sculpted model Deja Solis in clay, then used a Pantograph — a medieval-era enlargement tool — to make a hand-built enlargement, 14 ft. 6 in. tall. The sculpture was then again enlarged using the Pantograph to her final 40-foot form.

Like all of his sculptures, *Bliss Dance* was a collaborative effort. When Cochrane begins a sculpture, he asks his models to be themselves. At first they respond by posing, but after a while they start to relax and just be. Remarkably, this rare glimpse is captured in the sculpture, retaining the raw emotion of the moment. Cochrane's sculptures express the true essence of person…a radically modern vision of the purpose of art.

"What I see missing in the world is an appreciation and respect for feminine energy and power that results when women are free and safe. Bliss Dance *is intended to focus attention on this healing power."*

His first interactive piece, Cochrane hopes to offer the lighting application for download at the sculpture site soon.

According to Black Rock Arts Foundation Executive Director Tomas McCabe:

"The Black Rock Arts Foundation is proud to help inaugurate another location for public art in the Bay Area by bringing Marco Cochrane and his teams' Bliss Dance *to Treasure Island,"* said Executive Director Tomas McCabe. *"This project is a bull's eye for us as it allows us to help support and highlight a local artist, collaborate with Treasure Island Development Authority in their efforts to incorporate art, and provide an opportunity for folks who were not able to see this amazing piece at the Burning Man event to interact with it in a whole new setting.* Bliss Dance *takes a classical art form to a whole new level in terms of scale, technology and beauty - and with the amazing San Francisco skyline as its backdrop, it's sure to inspire all who see it."*

The installation would not have been possible without the support of the Mirian Saez, Director of Island Operations for the Treasure Island Development Authority, The Black Rock Arts Foundation, San Francisco Grants for the Arts, the sculptures' original funders and the members of Bliss Crew who helped build her.

An opening reception is scheduled for May 26, 2011 from 6-10 pm.

Artist Biography

In 1962, Marco Cochrane was born to American artists in Venice, Italy. He was raised in Northern California in the midst of the political and cultural movement of those times. As a result, Marco learned respect for oneness and balance. In particular, he identified with the female struggle with oppression, and he saw feminine energy and power as critical to the world's balance. Supporting this change quickly became Marco's life's mission, although, it never occurred to him that art would be the vehicle. In his youth, Marco built boats and amusement park rides and one day, on a dare, he explored sculpting people. Inspired by Joseph Campbell's call: "Follow your bliss and doors will open where you did not think door existed", and entirely self-taught, when Marco started sculpting he realized he was pursuing the mission he'd set for himself...to empower women and bring balance to the world. He currently works from his studio on Treasure Island in San Francisco.

The Treasure Island Development Authority and Black Rock Arts Foundation encourages attendees to maximize their use of the MUNI 108 bus, ride-sharing, carpooling and alternate transportation for this event and at all times when visiting Treasure and Yerba Buena Islands.

Residential Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY

May 23, 2011 through June 7, 2011
Inspection work on various sections of TI Causeway will take place between May 23 and June 7. This work will necessitate single lane closures on the Causeway during weekday daytime hours.

During this period, traffic control will be in effect along the Causeway which will cause slight delays to vehicle traffic.

The MUNI 108 route will be unaffected. Please drive carefully during this time period and obey all posted signage and traffic control personnel. Please contact TIDA with any questions.

TIDA Office 415-274-0660

TREASURE ISLAND DEVELOPMENT AUTHORITY

Administration Building
One Avenue of the Palms
San Francisco, CA 94130

Phone: 415-274-0660
Fax: 415-274-0299
E-mail: TIDA@sfgov.org

If you wish to receive notices and community information electronically, please e-mail Marianne.Thompson@sfgov.org.

Mirian Saez, Director of Island Operations

Residential Advisory Notice

TREASURE ISLAND DEVELOPMENT AUTHORITY

Thursday, May 26, 2011

Please be advised that there may be traffic delays along Avenue of the Palms from California Avenue to 9th Street from 6:00 pm to 10:00 pm for a special event.

The traffic will not impact Muni or other City Services.

If you have any questions, please contact Marianne Thompson at (415) 274-0662.

TREASURE ISLAND DEVELOPMENT AUTHORITY

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Mirian Saez, Director of Island Operations

PROPOSED PLAN/DRAFT REMEDIAL ACTION PLAN
FORMER NAVAL STATION TREASURE ISLAND

Installation Restoration Site 27
Former Clipper Cove Skeet Range

San Francisco, California June 2011

THE DEPARTMENT OF THE NAVY ANNOUNCES PROPOSED PLAN/DRAFT REMEDIAL ACTION PLAN

1.0 INTRODUCTION

The Department of the Navy presents this ***Proposed Plan/Draft Remedial Action Plan (RAP)*** for remediation of ***Installation Restoration (IR)*** Site 27 (Site 27), the former Clipper Cove Skeet Range, at the former Naval Station Treasure Island (NAVSTA TI) in San Francisco, California (Figure 1). The Navy is presenting this plan in cooperation with the California Environmental Protection Agency (Cal/EPA) ***Department of Toxic Substances Control (DTSC)***, the Cal/EPA ***Regional Water Quality Control Board (Water Board)***, the ***U.S. Environmental Protection Agency (EPA)***, and the Treasure Island Development Authority (TIDA).

The Navy is responsible for investigating and remediating contamination that resulted from historical Navy operations at former NAVSTA TI. This Proposed Plan/Draft RAP presents the Navy's ***preferred remedial alternative*** to address ***lead shot*** in sediment associated with historical activities at Site 27. The Navy proposes to remediate Site 27 by:

- Removing contaminated sediment where there is a current complete exposure pathway, and backfilling the area to prevent exposure to diving ducks, the ecological receptor of concern.
- Implementing ***institutional controls (IC)*** throughout the site to restrict activities that might disturb sediment.

This Proposed Plan/Draft RAP summarizes the site history, the environmental investigations conducted at the site, and the remedial alternatives evaluated in accordance with the ***Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)***, as amended by the ***Superfund Amendments and Reauthorization Act (SARA)***, and explains the basis for choosing the preferred remedial alternative. The Navy will consider and respond to public comments on this Proposed Plan/Draft RAP in a responsiveness summary to be included in the ***Record of Decision/ Final Remedial Action Plan (ROD/Final RAP)*** for Site 27.

Note: Specialized or technical terms are highlighted in bold the first time they appear and are defined in the glossary on page 14.

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— NOTICE —

Public Comment Period
June 2 to July 2, 2011

Public Meeting
June 14, 2011

Casa de la Vista, Building 271
Treasure Island
6:30 to 8:30 p.m

This public meeting is an opportunity for the community to hear about the Navy's Proposed Plan and to provide formal oral and written comments.

ABOUT THIS PROPOSED PLAN/ DRAFT RAP

The Navy is issuing this Proposed Plan/Draft RAP as part of its public participation responsibilities under Section 117(a) of CERCLA, Section 300.430(f)(2) of the *National Oil and Hazardous Substances Pollution Contingency Plan (NCP)*, and Chapter 6.8 of the California Health and Safety Code (HSC). Figure 2 illustrates the status of Site 27 in the CERCLA and California Health and Safety Code Section 25356.1 Process.

This Proposed Plan/Draft RAP summarizes information detailed in the *remedial investigation (RI)* report and *feasibility study (FS)* report, along with other documents contained in the administrative record file for Site 27. The administrative record contains the reports and historical documents used to select remedial alternatives. The Navy encourages the public to review these documents to gain an understanding of Site 27 and the environmental assessments and investigations that have been conducted. The documents are available for public review at the locations listed on page 13.

A public comment period will be held from June 2 through July 2, 2011. Public comments can be submitted by mail, fax, or e-mail throughout the comment period to James Sullivan, BRAC Environmental Coordinator, BRAC Program Management Office West, 1455 Frazee Road, Suite 900, San Diego, California 92108-4310, (619) 532-0983 (fax), james.b.sullivan2@navy.mil. A public meeting will be held from 6:30 to 8:30 p.m. on June 14, 2011 at the Casa de la Vista, Building 271, Treasure Island. Members of the public may also submit written and oral comments on this Proposed Plan/Draft RAP at the public meeting.

In consultation with the regulatory agencies, the Navy may modify the preferred remedial alternative or select another remedial alternative based on feedback from the community or new information. Therefore, the community is encouraged to review and comment on this Proposed Plan/Draft RAP. A final decision on the remedy to be implemented will be documented in the ROD/Final RAP.

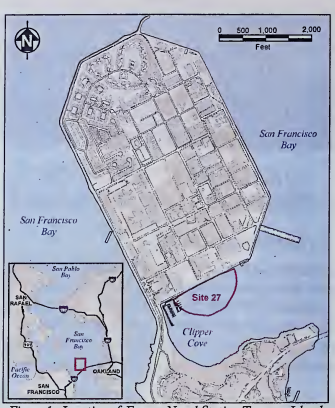

Figure 1. Location of Former Naval Station Treasure Island and Site 27

Figure 2. The CERCLA and California Health and Safety Code Section 25356.1 Process

2.0 SITE BACKGROUND

Former NAVSTA TI lies in San Francisco Bay (Figure 1) and consists of two contiguous islands: Treasure Island (TI) and Yerba Buena Island (YBI). TI was constructed on the shoals of YBI with San Francisco Bay fill between 1936 and 1937 for use as an airport for the City of San Francisco. It was also the site of the 1939 Golden Gate International Exposition. Navy operations at the island began in 1941, primarily for training, administration, housing, and other support services to the U.S. Pacific Fleet. In 1993, the Defense Base Closure and Realignment Commission recommended closure of NAVSTA TI; the facility was subsequently closed on September 30, 1997.

Clipper Cove is located directly between TI and YBI (Figure 1). A portion of Clipper Cove was used as a naval skeet range until 1989. As clay targets (skeet) were launched from the shoreline, naval personnel fired lead shot over the water, which resulted in a fan–shaped shot fall zone. The original boundary of Site 27 was established based on the onshore location of one skeet range. The boundary of Site 27 was revised in August 2004 to include a second adjacent skeet range, the onshore area of Site 27, and the full shot fall zone. The extent of lead shot contamination was determined to be no more than 750 feet from the firing point.

The onshore area of Site 27 was investigated further after the area had been included in the site boundary; however, no unacceptable risk to human health or the environment was found. In 2010, the Navy redefined the boundary for Site 27 under CERCLA because no further action is necessary for the onshore portion. The redefinition of the Site 27 CERCLA boundary excluded the onshore portion of the site (less than 1 acre landward of the mean high water line), so that Site 27 currently consists of approximately 19 offshore acres (Figure 1). The new site boundary will be used for this Proposed Plan/Draft RAP and all future site documentation. As a result, the former onshore portion of Site 27 is not discussed further in this document.

Currently, a small portion of the southwestern section of Site 27 is part of the marina (Figure 1). The remainder of Site 27 consists of sediment and open water. According to the Treasure Island and Yerba Buena Island Design for Development, Site 27 will be used as a marina in the future.

Previous Investigations

In 1993, the Water Board issued Order No. 93-130, requiring the Navy to investigate and manage contamination attributable to the skeet range in the Clipper Cove area of NAVSTA TI. The order set forth specific compliance requirements and tasks. The Navy subsequently conducted sampling investigations at Site 27 to comply with the substantive requirements of the order. The following sections describe the investigations previously performed at Site 27.

The Phase I and Phase II investigations were not limited to Site 27 and also included Site 13. Site 13 consists of stormwater outfall areas surrounding former NAVSTA TI within Navy property. Even though sediment samples were collected and analyzed from both sites, only samples from Site 27 were evaluated to help characterize chemicals thought to be associated with the former skeet range. These chemicals included lead shot, lead, and ***polycyclic aromatic hydrocarbons (PAH)*** (a component of the skeet target), which were targeted as potential ***chemicals of concern (COC)*** at Site 27.

Previous Investigations at Site 27

- Phase I Remedial Investigation Offshore Sampling (1993)
- Site 27 Clipper Cove Skeet Range Offshore Investigation (1996)
- Phase II Remedial Investigation for Offshore Sediments (1997)
- Lead Shot Investigation in the Nearshore Area of Site 27 (conducted during Feasibility Study) (2008)
- Feasibility Study (2001–2010)

Phase I Remedial Investigation Offshore Sampling

Offshore data were first collected during the 1993 Phase I RI sampling at NAVSTA TI. Sediment and storm-water samples were collected within Clipper Cove and were analyzed for metals, pesticides, polychlorinated biphenyls (PCB), and PAHs. None of the samples collected within the Site 27 boundary contained concentrations of lead or PAHs above the *screening values*.

1996 Site 27 Clipper Cove Skeet Range Offshore Investigation

As a direct result of Water Board Order No. 93-130, sediment and bay water samples were collected and analyzed to define the vertical and horizontal extent of lead, lead shot, and PAHs in offshore sediments and overlying surface water that may have resulted from the skeet range operations.

Lead (excluding lead shot pellets) was detected in all sediment samples collected from Site 27; however, lead concentrations were similar to those detected in other offshore areas of NAVSTA TI outside of Clipper Cove. PAHs were not detected in the sediment at Site 27 at concentrations that exceeded screening values.

Sediment samples were collected at depths of up to 5 feet below the sediment surface. The number of lead shot pellets was counted in every sample location in 1-foot segments. Lead shot was detected in all but one location.

Water samples were collected and analyzed for total lead and PAHs, but neither was detected.

Phase II Remedial Investigation for Offshore Sediments

Sediment sampling conducted during the 1997 Phase II RI focused on further characterizing Clipper Cove both within and outside the boundary of Site 27, and tracking contaminants from onshore sources to offshore sediments through storm-water outfalls.

Sampling revealed that lead concentrations in sediment were below the screening value at all Phase II sampling locations, except for three samples where lead was detected at concentrations just slightly above the screening value. One of these samples was collected between 6 and 8 feet below the sediment surface within Site 27; the two other samples were located outside of Site 27. Concentrations of PAHs did not exceed the screening value at any location.

Field Investigation of Lead Shot in the Nearshore Area

A *bathymetric survey* conducted in 2005 indicated that the nearshore area of Clipper Cove (within 150 feet of the shoreline) was a dynamic area where sediment both accretes and erodes, resulting in limited sediment accumulation. The remainder of Clipper Cove is known as a "depositional environment," where sediment accumulates at a rate of about 1 to 2 inches each year and lead shot is expected to be buried under more than 2 feet of clean sediment, where it is out of the reach of diving ducks. Based on the results of the 2005 survey, the Navy investigated the nearshore area in 2008 to characterize lead shot in the top 2 feet of sediment and evaluate whether there was a potential risk to diving ducks. Samples were collected to a depth of 2 feet below the sediment surface from 30 locations in the nearshore area. The sediment samples were analyzed for lead shot, which was detected within the top 2 feet of the sediment within 75 feet of the shoreline, where waterfowl foraging for food or grit could ingest the shot. No lead shot was found in the samples collected in the top 2 feet of sediment from 75 feet to 150 feet from the shoreline. The concentrations of total lead, not including the lead shot, in sediment were consistent with levels elsewhere in the area and were similar to other locations around Treasure Island. The investigation concluded that lead shot was a COC at Site 27, but that total lead was not a COC at the site.

As part of this investigation, *benthic organisms* were recovered from surface samples, indicating that there is a source of food for diving ducks in the nearshore area, and diving ducks were observed at Site 27 during the field investigation.

3.0 SUMMARY OF SITE RISKS

"Risk" is the likelihood or probability that a hazardous chemical, when released into the environment, will cause adverse effects to exposed humans or other organisms. An ***ecological risk assessment (ERA)*** was conducted to assess the risk as part of the Phase II RI for offshore sediments. The ERA was revised based on the results of the 2008 lead shot investigation in the nearshore area. No human health risk assessment was conducted because there is no pathway for exposure to lead shot in sediment for humans.

Exposure Routes And Receptors Of Concern

Incidental ingestion of lead shot by diving ducks was identified as the primary receptor pathway. Diving ducks such as the surf scoter (*Melanitta perspicillata*) can penetrate the sediment surface from depths ranging from the length of their head (5 to 6.5 inches) to the length of their entire body (17 to 21 inches) while they forage for food in water as deep as 40 feet. Sediment deposition in the offshore area has effectively covered the lead shot, eliminating the ingestion exposure pathway to diving ducks over most of the site. However, the 2008 nearshore investigation found lead shot buried under as little as 1 foot of sediment within 75 feet of the shoreline, which is within the reach of diving ducks. Therefore, there is a current potential risk to diving ducks from lead shot in the nearshore area of Site 27. A conceptual site model depicting the exposure pathway for diving ducks is presented on Figure 3.

Surf scoter. Photo courtesy of Joyce Gross.

The risk to aquatic receptors from PAHs was evaluated based on a separate study conducted to assess the concentration and composition of PAHs in clay targets used in skeet shooting. The study found that trap and skeet targets are composed partly of PAH-containing petroleum pitch, which is relatively insoluble in water and has low toxicity to aquatic organisms. The study concluded that it was unlikely that PAHs would leach from the clay targets, and therefore the targets were not likely to be toxic to aquatic organisms.

When compared to screening values, concentrations of lead in sediment in a small number of locations within Site 27 fell between the level at which adverse effects to aquatic organisms rarely occur, and the level at which adverse effects frequently occur.

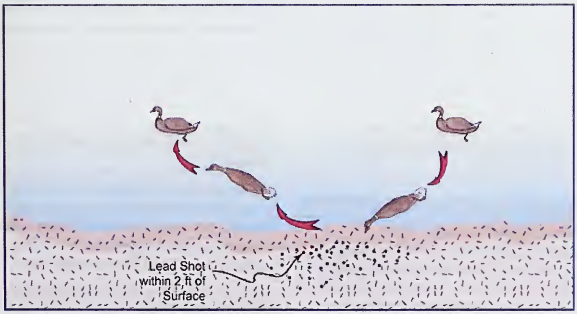

Figure 3. Conceptual Site Model for the Nearshore Area

Concentrations of lead at Site 27 were consistent with other offshore samples collected at Treasure Island and in San Francisco Bay. Therefore, lead in sediment is not considered a chemical of concern; the only contaminant of concern for Site 27 is lead shot.

Risk Evaluation Conclusions

The Phase II RI for offshore sediments concluded that chemicals in sediment at Site 27 posed no current unacceptable risk to human health or the environment. However, lead shot beneath 2 feet of sediment was recognized to pose a potential future risk to ecological receptors if exposed. This conclusion was revised in the FS after the 2008 lead shot investigation in the nearshore area was conducted. The investigation showed that there is current potential risk to diving ducks near the shoreline where sediment does not accumulate as steadily as in areas farther from the shoreline and lead shot remains closer to the sediment surface. This Proposed Plan/Draft RAP addresses the potential for current risk to diving ducks in the nearshore area, as well as future risk to diving ducks in the rest of the site if lead shot in the sediment were exposed by dredging or other activities that disturb sediment.

Feasibility Study

Based on the Phase II RI for offshore sediments and the lead shot investigation in the nearshore area, the Navy proceeded with an FS to address potential risks to diving ducks associated with lead shot in sediment. The FS identified ***remedial action objectives (RAOs)*** and remedial alternatives for contaminated sediment at Site 27. The remedial alternatives identified in the FS were evaluated against seven of the nine criteria required by CERCLA and as specified in the NCP. The last two criteria will be addressed through the public comment and regulatory agency review periods. Figure 4 describes the nine remedial alternative evaluation criteria.

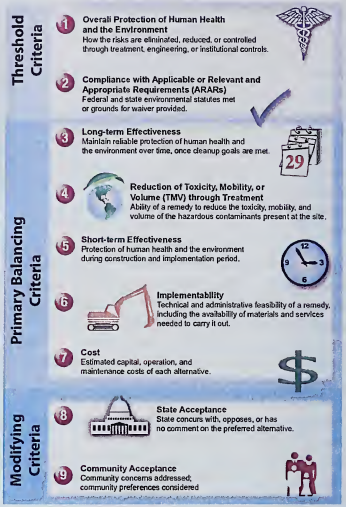

Figure 4. Criteria for Comparison of Remedial Alternatives

4.0 REMEDIAL ACTION OBJECTIVES

RAOs are medium-specific (such as soil and groundwater) goals for protecting human health and the environment that provide the foundation used to develop remedial alternatives. No human health risks were identified for Site 27; therefore, the RAOs are based solely on exposure to lead shot by diving ducks under both current and future use scenarios. Under the current use scenario, there is a complete exposure pathway near the shore. Under a future use scenario in which the cove is dredged to expand the marina, there could be a complete exposure pathway to diving ducks in the rest of the site. The RAOs for Site 27 are:

- Prevent or minimize ingestion of lead shot by diving ducks within 75 feet of the shoreline, where there is a complete exposure pathway under current conditions.
- Prevent or minimize ingestion of lead shot by diving ducks site-wide, where there is a potentially complete exposure pathway for diving ducks under future conditions where lead shot is currently buried below at least 2 feet of sediment.

RAOs can be achieved either by reducing concentrations of COCs or by eliminating the exposure pathways.

5.0 SUMMARY OF REMEDIAL ALTERNATIVES

This section summarizes the remedial alternatives developed in the Final Feasibility Study, Site 27 Clipper Cove Skeet Range. The Navy evaluated several remedial technologies, including capping, solidification/stabilization, physical separation, biological treatment, chemical treatment, thermal desorption, and soil washing. After screening the alternatives, the Navy further developed and considered three remedial alternatives in the FS:

- Alternative 1: No action
- Alternative 2: Focused dredging and backfill (Figure 5), off-site disposal of sediment, institutional controls, and sediment monitoring
- Alternative 3: Site-wide dredging (Figure 5) and off-site disposal of sediment

Alternatives 2 and 3 are split into "a" and "b" alternatives because of two possible disposal options. Under Alternatives 2a and 3a, dredged sediments would be disposed of at a landfill after on site dewatering that could take up to 1 year for Alternative 2a and 6 years for Alternative 3a. Under Alternatives 2b and 3b, dredged sediment would be transported by barge to an upland beneficial reuse site where sediment is being collected to create a restored wetland (the lead-shot contaminated sediment would be covered by clean sediment so that it would not pose a risk to diving ducks); land-based dewatering would not be required. Each of the alternatives and their associated costs are described in Table 1.

6.0 EVALUATION OF REMEDIAL ALTERNATIVES

The remedial action alternatives considered represent a range of distinct environmental restoration strategies that fulfill the RAOs associated with lead shot contamination in sediment at Site 27. The alternatives were evaluated against the nine EPA criteria listed in Figure 4.

These criteria are used to evaluate the cleanup alternatives proposed for this site. The first seven criteria are discussed in the following comparison of alternatives. The last two criteria will be addressed through the public comment and regulatory agency review periods. The Navy will then make the final decision on the remedy for Site 27 after public input has been received and evaluated.

Figure 5. Comparison of Alternative 2 and Alternative 3 Proposed Dredging and Backfill Areas

Of the seven evaluation criteria, two are threshold and five are primary balancing criteria. To be eligible for selection, an alternative must meet the two threshold criteria: (1) overall protection of human health and the environment, and (2) compliance with *applicable or relevant and appropriate requirements (ARARs)*. Alternative 1 (no action) was evaluated in the FS, as required by the NCP, to provide a comparative baseline to evaluate the other alternatives; however, Alternative 1 would not be protective of the environment or comply with ARARs under current land-use scenarios. As a result, this alternative would not meet the threshold criteria and therefore is not eligible for selection.

Table 1. Summary Of Remedial Alternatives For Sediment At Site 27

Remedial Alternative	Components of Remedial Alternative	Cost	Estimated Time to Complete
1: No Action	Under Alternative 1, no remedial action or monitoring would be conducted. By law, the no-action alternative must be evaluated to establish a baseline for comparison with other alternatives that involve cleanup actions. Under this alternative, no response actions would be conducted at Site 27; therefore, there would be no associated costs. No attempt would be made to monitor or control exposure to lead shot in sediment.	$0	Not Applicable
2a: Focused Dredging and Backfill, Landfill Disposal of Sediment, Institutional Controls, and Sediment Monitoring,	Under Alternative 2, contaminated sediments would be removed where there is a current complete exposure pathway to diving ducks, followed by backfill of the area to prevent exposure (Figure 5). Alternative 2a sediment removal would be followed by sediment dewatering and off-site disposal at a landfill, whereas Alternative 2b sediment removal would be followed by transport by barge to an upland beneficial reuse site. Implementation of ICs would reduce the likelihood of activities that may cause sediment disturbance and resuspension of buried lead shot at the site. Post-remedy sediment monitoring consisting of bathymetric surveys would be conducted 1 year after the remedy is complete and every 5 years after to confirm consistent sediment profile against erosion. Alternative 2 would remove the current complete exposure pathway and ensure the pathway remained incomplete throughout the site.	$2.9 Million	1 Year
2b: Focused Dredging and Backfill, Beneficial Reuse of Sediment, Institutional Controls, and Sediment Monitoring		$2.2 Million	2 Months
3a: Site-wide Dredging and Landfill Disposal of Sediment	Under Alternative 3, contaminated sediments would be completely removed from the site by full-scale dredging (Figure 5). Alternative 3a sediment removal would be followed by sediment dewatering and off-site disposal at a landfill, whereas sediment removal under Alternative 3b would be followed by transport by barge to an upland beneficial reuse site. Alternative 3 would allow for unrestricted use of the site.	$21.0 Million	6 Years
3b: Site-wide Dredging and Beneficial Reuse of Sediment		$23.9 Million	6 Months

A ranking analysis of the remedial alternatives was also conducted to provide a comparison of the alternatives against the first seven NCP criteria. To conduct the ranking analysis, a score from 1 to 5 was assigned to each alternative for each specific NCP evaluation criterion, with a score of 5 being best and 1 being least satisfactory. The results of this ranking analysis are summarized in Table 2.

Table 2: Comparative Ranking of Alternatives

Criterion Type	Criterion	Alternative 2: Focused Dredging and Backfill, Off-Site Disposal of Sediment, Institutional Controls, and Sediment Monitoring		Alternative 3: Site-Wide Dredging and Off-Site Disposal of Sediment	
		2A: Landfill Disposal of Sediment	2B: Sediment Beneficial Reuse	3A: Landfill Disposal of Sediment	3B: Sediment Beneficial Reuse
Threshold	Overall Protection of Human Health and Environment	5	5	5	5
	Compliance with ARARs	5	5	5	5
Primary Balancing	Long-Term Effectiveness/ Permanence	0	4	5	5
	Reduction of Toxicity, Mobility, or Volume through Treatment	0	0	0	0
	Short-Term Effectiveness	2.5	3	1	2
	Implementability	2.5	3	1	2
	Cost	3	3	1	1
Score		22	23	18	20
Rank		2nd	1st	4th	3rd

Note: Each individual rating was on a scale from 1 to 5, with 5 being the highest rating. Individual ratings for each criterion were then summed up to yield a total score or relative ranking. Since there were seven criteria, the maximum total score is 35.

The following is a comparative analysis of the remedial alternatives:

Threshold Criteria

1. Overall Protection of Human Health and the Environment

Alternatives 2 and 3 would protect the environment because both would eliminate the exposure pathway to diving ducks, whereas Alternative 1 would not. Alternatives 2 and 3 were ranked equally based on this criterion.

2. Compliance with ARARs

ARARs are federal and state laws and regulations that are identified for each remedial alternative. No chemical-, action-, or location-specific ARARs would apply to Alternative 1. Alternatives 2 and 3 are expected to meet all chemical-, location-, and action-specific ARARs.

Because Alternative 1 fails to meet the two threshold criteria, it is not evaluated under the primary balancing criteria in this Proposed Plan/Draft RAP.

Primary Balancing Criteria

3. Long-Term Effectiveness and Permanence

Long-term effectiveness is considered high for Alternative 2, as the exposure pathway would be eliminated through focused dredging, backfilling, and IC implementation. Long-term effectiveness is considered very high for Alternative 3, as the exposure pathway would be eliminated through dredging to completely remove all contaminated sediments

within the site boundary. Figure 5 presents a visual comparison of the proposed excavation and backfill areas for Alternatives 2 and 3.

4. Reduction of Toxicity, Mobility, or Volume through Treatment

Implementation of Alternative 2 or 3 would not reduce the toxicity, mobility, or volume of hazardous substances through treatment; therefore, neither alternative is considered effective under this criterion.

5. Short-Term Effectiveness

During construction, implementation of Alternatives 2 and 3 could affect the public, environment, and workers because of potential resuspension of lead shot, traffic, and noise. Effects would be minimized through implementation of construction quality control (QC) monitoring and environmentally sensitive construction practices, other monitoring protocols, and health and safety plans. Short-term effectiveness for Alternative 2a would be considered low to moderate and for Alternative 2b moderate because of the limited dredging area and shorter performance period than Alternative 3. Short-term effectiveness for Alternative 3a would be considered very low and for Alternative 3b low given the large area to be dredged and the amount of sediment to be removed, as well as the longer performance period than Alternative 2.

6. Implementability

Alternative 2 would be moderately difficult to implement, requiring construction, monitoring, and ICs. Alternative 3 would be the least easily implementable given the large quantity of sediment that would require removal. Alternatives 2a and 3a are less easily implementable than Alternatives 2b and 3b because dewatering is required. Therefore, implementability is considered low to moderate for Alternative 2a and moderate for Alternative 2b. Similarly, implementability is considered very low for Alternative 3a and low for Alternative 3b.

7. Cost

The cost for Alterative 2 is moderate. The estimated cost for Alternative 2a is $2.9 million, while the cost for Alternative 2b is $2.2 million.

The cost for Alterative 3 is very high. The estimated cost for Alternative 3a is $21.0 million, while the cost for Alternative 3b is $23.9 million.

7.0 THE PREFERRED REMEDIAL ALTERNATIVE

The preferred remedial alternative is Alternative 2b, focused dredging and backfill, off-site disposal of sediment at a beneficial reuse site, ICs, and sediment monitoring. Alternative 2b would be implemented by removing sediment located within 75 feet from the shoreline to a depth of at least 2.5 feet. Therefore, a complete exposure pathway to diving ducks would be eliminated since (1) all sediment that contains lead shot within the top 2.5 feet would be removed; and (2) lead shot in the remaining offshore area of Site 27 is buried under at least 2 feet of sediment, which is not accessible to diving ducks.

After dredging, the area would be backfilled with a mixture of a sandy base layer and an exposed rock armor layer. The vertical extent of dredging and the backfill design would be established during remedial design and would take into account relevant hydrodynamic conditions and consider current and historical uses of the marina, including maintenance dredging. Dredged sediment would be transported by barge to an upland beneficial reuse site, and dewatering would not be required.

After dredging and backfilling, site-wide ICs would be implemented to restrict disturbance of the remaining sediment, which would prevent or minimize re-suspension of lead shot from deeper sediments in the undredged portion of the site. ICs could include restrictions on vessel speed, controls on dredging within the boundary of Site 27, and long-term monitoring of the backfill. Five-year reviews and reporting would be conducted to ensure the continued effectiveness of the ICs. A remedial action work plan (RAWP) would be developed to specify the roles and responsibilities for implementing, monitoring, and enforcing the ICs.

When Site 27 is transferred, the deed would contain both a deed notice to notify future landowners of the existence of lead shot in the sediment and a restriction requiring (1) that the appropriate regulatory agencies be contacted and notified of the existence of the lead

shot in sediment within the boundary of Site 27 before any sediment dredging or fill, and (2) that as part of any sediment dredging or fill, the property would comply with the pertinent parts of Section 404 of the Clean Water Act.

Sediment monitoring would consist of baseline monitoring before dredging, construction quality control monitoring during dredging, and post-remedy monitoring. A post-remedy bathymetric survey would be followed by monitoring 1 year after the remedy has been implemented and every 5 years after the remedy has been implemented. Detailed post-remedy survey and monitoring plans would be developed and presented in the RAWP.

Alternative 2b was selected because it:

(1) Provides overall protection of the environment by removing the current complete exposure pathway for diving ducks and ensures the pathway will remain incomplete throughout the site.

(2) Is the most effective in the short term and would have the least effect on the community, remedial workers, and the environment because of the limited dredging area and the relatively shorter performance period.

(3) Would be implemented in the shortest period of time. Periodic costs will include long-term monitoring to ensure RAOs are consistently achieved.

(4) Meets federal and state ARARs.

(5) Is the most cost effective to implement.

The preferred remedial alternative is protective of human health and the environment and eliminates, reduces, or controls exposures to human and environmental receptors through all potential exposure pathways currently and in the future.

MULTI-AGENCY PARTICIPATION

The ***Base Realignment and Closure (BRAC)*** Cleanup Team (BCT) for NAVSTA TI includes remedial project managers (RPM) from the Navy, DTSC, Water Board, and EPA. The primary goals of the RPMs are to protect human health and the environment, coordinate environmental investigations, and expedite the environmental restoration of former NAVSTA TI. The RPMs have coordinated on all major documents and investigations associated with Site 27, including the RI and FS reports. Based on these reviews and discussions of key documents, the regulatory agencies support the Navy's preferred remedial alternative. The preferred remedial alternative may be modified in response to public comments or new information.

REGULATORY SUMMARY

California Health and Safety Code (HSC)

This document is intended to meet the requirements of California HSC Section 25356.1 for hazardous substance release sites, as required by DTSC. The HSC requires preparation of a RAP for sites that are not listed on the ***National Priorities List (NPL)***, such as NAVSTA TI. Therefore, this document also serves as a draft RAP to fulfill the public notice and comment requirements of the HSC. The final RAP will be incorporated in the ROD for this site.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

DTSC has prepared an initial study to evaluate potential impact of the proposed project on the environment. The findings of the initial study indicate that the project would not have a significant effect on public health or the environment. Therefore, DTSC has prepared a proposed negative declaration for the Site 27 cleanup. Both the initial study and proposed negative declaration are available for review and comment during the public comment period.

NONBINDING ALLOCATION OF RESPONSIBILITY

HSC Section 25356.1(e) requires DTSC to prepare a preliminary nonbinding allocation of responsibility among all identifiable potentially responsible parties. HSC Section 25356.3(a) allows potentially responsible parties with an aggregate allocation in excess of 50 percent to convene an arbitration proceeding by submitting to binding arbitration before an arbitration panel. Based on available information regarding the former NAVSTA TI, DTSC concludes that the Navy is a responsible party with aggregate alleged liability in excess of 50 percent of the costs of removal and remedial action pursuant to HSC Section 25356.3. The Navy may convene arbitration if it so chooses.

8.0 COMMUNITY PARTICIPATION

The Navy, DTSC, Water Board, and EPA encourage the public to gain a more thorough understanding of Site 27 and the CERCLA activities that have been conducted at former NAVSTA TI by visiting the information repository, reviewing the administrative record file, attending public meetings, and signing up for the mailing list to receive regular project information. The information repository was established to provide public access to technical reports and other IR Program information that supports the remedial action alternative decision. The administrative record contains the reports and historical documents used to select remedial alternatives. Restoration Advisory Board Meetings are also held on the third Tuesday of every other month and are open to the public.

Consideration of public input is an important part of the remedy selection process. The Navy, DTSC, Water Board, and EPA encourage all community members, business owners, and other interested stakeholders to provide input on the proposed remedy. The dates of the public comment period and the date, location, and time of the public meeting are provided on pages 1 and 12 of this Proposed Plan/Draft RAP.

THE NEXT STEP

The Navy and DTSC will consider all public comments received during the public comment period, or in person at the public meeting, before they make a final decision for Site 27. The final decision will be documented in the ROD/Final RAP, which will include the responses to all comments received on this Proposed Plan/Draft RAP. Input will be collected after the alternatives are presented to the public, and a final decision will be made after regulatory agency and community input on the Proposed Plan/Draft RAP has been reviewed. The Navy will then issue a ROD/Final RAP, and DTSC will approve the RAP to select the final remedy. A public notice will be placed in the *San Francisco Chronicle* announcing when the Site 27 ROD/Final RAP will become available to the public in the information repositories listed on page 13.

OPPORTUNITIES FOR INVOLVEMENT

Public Meeting, June 14, 2011

Location: Casa de la Vista, Building 271, Treasure Island

You are invited to the public meeting to discuss and comment on the Proposed Plan/Draft RAP for Site 27. The Navy and DTSC will conduct a formal Proposed Plan/Draft RAP presentation at 6:30 p.m., which will be followed by an open house until 8:30 p.m. Highlights of the Proposed Plan/Draft RAP will be presented at different information displays during the open house. You will have the opportunity to visit these displays at your own pace, discuss, and ask questions about the Proposed Plan/Draft RAP one-on-one with representatives of the Navy and DTSC. You will also have the opportunity to formally comment on the Navy's preferred remedial alternative for Site 27 as presented in this Proposed Plan/Draft RAP during both the presentation and open house.

Public Comment Period
June 2 through July 2, 2011

We encourage you to comment on this Proposed Plan/Draft RAP during the public comment period. You may provide comments on the Proposed Plan/Draft RAP orally at the public meeting or submit your comments in writing at or after the public meeting. You may mail or email written comments on this Proposed Plan/Draft RAP to the Navy contact person provided on page 13, postmarked no later than July 2, 2011.

Information Repositories

Two information repositories and the administrative record file provide public access to technical reports and other IR Program information that support this Proposed Plan/Draft RAP.

San Francisco Public Library
Government Publications Section
100 Larkin Street
San Francisco, California 94102
(415) 557-4400

Navy BRAC Caretaker Support Office
1 Avenue of the Palms, Suite 161
Treasure Island
San Francisco, California 94130
(415) 743-4729

Administrative Record File
ATTN: Diane Silva, Command Records Manager
NAVFAC Southwest
1220 Pacific Highway
Code EV33, NSDB Building 3519
San Diego, California 92132
(619) 556-1280
diane.silva@navy.mil

Administrative hours are 8 a.m. to 5 p.m. Monday through Friday. Documents may not be removed from the facility; however, they may be photocopied. Please contact Ms. Silva to make an appointment.

Site 27 documents are available in the information repositories and in the administrative record locations listed above. Other information such as meeting minutes and fact sheets related to Site 27 can be found on the Navy's website at: www.bracpmo.navy.mil. Select "Prior BRAC," then "Former Naval Station Treasure Island."

Project Contacts

James Sullivan
BRAC Environmental Coordinator
BRAC Program Management Office West
1455 Frazee Road, Suite 900
San Diego, California 92108-4310
phone: (619) 532-0966
fax: (619) 532-0983
james.b.sullivan2@navy.mil

Remedios Sunga
Remedial Project Manager
Department of Toxic Substances Control
700 Heinz Avenue
Berkeley, California 94710
(510) 540-3840
rsunga@dtsc.ca.gov

Ross Steenson
Remedial Project Manager
San Francisco Bay Water Board
1515 Clay Street, Suite 1400
Oakland, California 94612
(510) 622-2445
rsteenson@waterboards.ca.gov

Melinda Garvey
Remedial Project Manager
U.S. EPA, Region 9
75 Hawthorne Street
San Francisco, California 94105
(415) 947-4184
Garvey.Melinda@epamail.epa.gov

9.0 GLOSSARY OF TERMS

Applicable or Relevant and Appropriate Requirements (ARARs): Federal, state, and local regulations and standards determined to be legally applicable or relevant and appropriate to remedial actions at a CERCLA site.

Base Realignment and Closure (BRAC): Program established by Congress under which Department of Defense installations undergo closure, environmental cleanup, and property transfer to other federal agencies or communities for reuse.

Bathymetric survey: A survey that measures the depth of the water and studies the shape of the seabed.

Benthic organisms: Animals that live on or near the bottom of a stream, lake, or ocean. Benthic populations often indicate sediment quality.

Chemical of Concern (COC): A chemical that has been identified as having the potential to pose a significant threat to human health or the environment.

Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA): A federal law designed to identify and cleanup sites contaminated with hazardous substances that may endanger public health or the environment.

Department of Toxic Substances Control (DTSC): A part of the California Environmental Protection Agency and California's lead environmental regulatory agency. Its mission is to protect public health and the environment from toxic substances.

Ecological Risk Assessment (ERA): An analysis of the potential ecological effects caused by exposure to hazardous substances at a site.

Feasibility Study (FS): A study to identify, screen, and compare remedial alternatives for a site.

Installation Restoration (IR): The IR Program is the Department of Defense's comprehensive program to investigate and clean up environmental contamination at military facilities in full compliance with CERCLA.

Institutional Controls (IC): ICs are legal and administrative mechanisms used to implement land use and access restrictions that limit exposure of landowners or users of the property to hazardous substances and to maintain the integrity of the remedial action to ensure that remediation goals are achieved. Monitoring and inspections are conducted to ensure that the land use restrictions are being followed.

Lead shot: A collective term for small pellets of lead used as ammunition at the skeet and trap range. Waterfowl such as ducks can ingest spent pellets and be poisoned.

National Oil and Hazardous Substances Pollution Contingency Plan (NCP): The regulatory basis for government responses to oil and hazardous substances spills, releases, and sites where these materials have been released.

National Priorities List (NPL): The federal list of Superfund sites nationwide. NPL sites are considered high priority for cleanup under the federal Superfund program. NAVSTA TI is not on the NPL.

Polycyclic Aromatic Hydrocarbon (PAH): Compounds typically associated with the incomplete combustion of fossil fuels that are found in the petroleum pitch used to make targets used at the skeet and trap range. These compounds are stable and resist common degradation processes in the environment.

Preferred remedial alternative: The remedial alternative selected by the Navy, in conjunction with the regulatory agencies, that best satisfies the RAOs based on the evaluation of remedial alternatives presented in the FS.

Proposed Plan/Draft Remedial Action Plan (RAP): A document that reviews the remedial alternatives presented in the FS, summarizes the recommended remedial action, explains the reasons for recommending the action, and solicits comments from the community. The RAP is required under California Health and Safety Code Section (HSC) Section 25356.1 for sites that are not listed on the NPL, such as Treasure Island. A Draft RAP is the California HSC equivalent of the Proposed Plan.

Remedial Action Objectives (RAOs): Statements containing specific cleanup goals for protecting human health and the environment, specifically one or more receptors from one or more chemicals in a specific medium (such as soil, sediment, groundwater, or air) at a site. RAOs are developed by evaluating ARARs and the results of remedial investigations, including human health and ecological risk assessments.

Record of Decision (ROD)/Final RAP: A decision document that identifies the remedial alternatives chosen for implementation at a CERCLA site; the ROD/Final RAP is based on information from the RI report and FS and on public comments and community concerns. A Final RAP is the California HSC equivalent of the ROD.

Remedial Investigation (RI): The first of two major studies that must be completed before a decision can be made about how to clean up a site. (The FS is the second study.) The RI is designed to evaluate the nature and extent of contamination and to estimate human health and ecological risks posed by chemicals of potential concern at a site.

Regional Water Quality Control Board (Water Board): The California water quality authority, which is part of the California Environmental Protection Agency. Its mission is to preserve, enhance, and restore California's water resources.

Screening values: These values were used as guidelines in interpreting and assessing the potential effects of concentrations of lead and PAHs detected in sediment at Site 27 on the environment. They include sediment concentrations of lead and PAHs that are associated with adverse effects on sediment-dwelling organisms (the effects-range low [ER-L] and effects-range median [ER-M]), as well as ambient concentrations of lead (43.2 milligrams per kilogram sediment [mg/kg]) and PAHs (3.39 mg/kg) in San Francisco Bay. The screening values are described in greater detail in the feasibility study.

Superfund Amendments and Reauthorization Act (SARA): SARA amended CERCLA on October 17, 1986, making several important changes and additions to the program, including new enforcement authorities and settlement tools.

U.S. Environmental Protection Agency (EPA): The federal regulatory agency responsible for administration and enforcement of CERCLA (and other federal environmental regulations).

affix postage

James Sullivan
BRAC Program Management Office West
1455 Frazee Road, Suite 900
San Diego, CA 92108-43101

Fold here and seal

BOARD of SUPERVISORS

City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

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MAY 27 2011
PS/MS FILE

NOTICE OF PUBLIC HEARING

BOARD OF SUPERVISORS OF THE CITY AND COUNTY OF SAN FRANCISCO

NOTICE IS HEREBY GIVEN THAT the Board of Supervisors of the City and County of San Francisco will hold a public hearing to consider the following proposal and said public hearing will be held as follows, at which time all interested parties may attend and be heard:

Date: Tuesday, June 7, 2011

Time: 5:00 p.m.

Location: Legislative Chamber, Room 250 located at City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102

Subject: File No. 110618. Hearing of persons interested in or objecting to the decision of the Planning Commission's April 21, 2011, Certification of a Final Environmental Impact Report identified as Planning Case No. 2007.0903E, through its Motion No. 18325, for the proposed Treasure Island/Yerba Buena Island Project. (Appellants: Saul Bloom, on behalf of Arc Ecology, Michael Lynes, on behalf of Golden Gate Audubon Society, Kate Looby on behalf of Sierra Club - San Francisco Bay Chapter, Brent Plater, on behalf of Wild Equity Institute, Ken Masters, and Aaron Peskin.)

Pursuant to Government Code Section 65009, notice is hereby given, if you challenge, in court, the matter described above, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Board of Supervisors at, or prior to, the public hearing.

In accordance with Section 67.7-1 of the San Francisco Administrative Code, persons who are unable to attend the hearing on these matters may submit written comments to the City prior to the time the hearing begins. These comments will be made a part of the official public records in these matters, and shall be brought to the attention of the Board of Supervisors. Written comments should be addressed to

Angela Calvillo, Clerk of the Board, Room 244, City Hall, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102. Information relating to this matter is available in the Office of the Clerk of the Board and agenda information will be available for public review on Thursday, June 2, 2011.

Angela Calvillo
Clerk of the Board

DATED: May 27, 2011

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY
ONE AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299
WWW.SFTREASUREISLAND.ORG

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

May 31, 2011

Mayor Edwin M. Lee
San Francisco City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

Dear Mayor Lee,

Thank you for your support of the proposed transfer of portions of the Treasure Island Museum Collection (Collection) from the US Navy's Naval History and Heritage Command (NHHC) to the City and County of San Francisco (City); items serving a vital link to the history of Treasure and Yerba Buena Islands as well as to the entire Bay region. The transfer will allow for the items within the Collection pertinent to the 1939-1940 Golden Gate International Exposition, construction of Treasure Island and of the Bay Bridge, history of Yerba Buena Island and natural history of the San Francisco Bay region to remain in San Francisco.

I write to propose that, upon approval by the Board of Supervisors of the acceptance of the collection as a gift from the NHHC, the City assign responsibility to the Treasure Island Development Authority (TIDA) for storage and maintenance of the transferred items until such time as planning is completed for the museum and the historic interpretative elements of the Treasure Island development plan. TIDA proposes to fund the initial moving expense and subsequent monthly expense of climate-conditioned, off-site professional storage of the items. Professional off-site storage will assure the appropriate level of care and assure the continued integrity of these Collection items.

NHHC anticipates completion of their inventory and of the packing process for the items in question by early August of this year. With your approval of this assignment, TIDA will coordinate the storage accordingly. Please do not hesitate to contact me to discuss this matter further.

Sincerely,

Mirian Saez
Director of Island Operations

Cc: file

From: "Valmassy, Tommie Jean" [tommiejean.valmassy@tetratech.com]
Sent: 06/01/2011 11:26 PM EST
To: "Sullivan, James B CIV OASN (EI&E), BRAC PMO West" <james.b.sullivan2@navy.mil>
Subject: Your Opportunity to Comment on Navy Work at Treasure Island

Here are some upcoming opportunities for you to get information and give your input on the Navy's cleanup at former Naval Station Treasure Island. *Please forward to friends, neighbors, and colleagues who may also be interested.* For more information, see the Navy's cleanup website for Treasure Island, www.bracpmo.navy.mil. Click on the map and select *Former NS Treasure Island* in the *Prior BRAC* dropdown menu. Or contact James B. Sullivan: (619) 532-0966, james.b.sullivan2@navy.mil.

Upcoming Navy Events:

1) The Navy has prepared a Proposed Plan/Draft Remedial Action Plan for the cleanup of Clipper Cove. The brief plan is attached here and you are encouraged to review and comment on it. To discuss this Proposed Plan/draft RAP, the Navy is holding a public meeting on June 14th. See details below!

2) Public Meeting for Clipper Cove Cleanup, Tuesday, June 14, 2011, 6:30 p.m. at the Casa de la Vista on Avenue of the Palms. A brief presentation will be given about the site and the preferred cleanup alternative. A poster session will be held where you can review information and pictures; discuss the project with the Navy, their consultants, and the regulatory agencies; and provide your input. Kids are welcome.

3) Bi-monthly Restoration Advisory Board (RAB) Meeting: Tuesday, June 21, 2011 7:00 pm at the Casa de la Vista on Avenue of the Palms. Every other month the Navy holds a meeting of its RAB. Updates on current field activities and upcoming documents are presented. Everyone is welcome; you do not need to be a member to attend!

Tommie Jean Valmassy | Communications Manager
Direct: 510.302.6232 | Main: 510.302.6300 | Fax: 510.433.0830
tommiejean.valmassy@tetratech.com
Tetra Tech EM Inc.
1999 Harrison Street, Suite 500 | Oakland, CA 94612 | www.tetratech.com
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Office of the Mayor
City & County of San Francisco

Edwin M. Lee

June 2, 2011

Mr. Frank Thompson
Naval Heritage and History Command
805 Kidder Breese Street, SE
Washington Navy Yard, DC 20374

Dear Mr. Thompson,

I write to formalize the City and County of San Francisco's (the "City") request for relinquishment of title of the non-Naval artifacts within the Treasure Island Museum Collection (the "Collection") to the City by means of direct transfer of ownership of this property from the Naval History and Heritage Command (the "NHHC") to the City.

The elements of the Collection relating to the history of Treasure and Yerba Buena Islands, the Golden Gate International Exposition, the construction of the Bay Bridge, the history of the State of California and the natural history of the San Francisco Bay are key to the ongoing preservation of both the City's history and the history of the entire region. Their proper conservation and eventual reintroduction to public exhibition are of vital importance to my office, and the City is prepared to undertake the appropriate steps necessary to accept these items from the NHHC.

To that extent, my office is prepared to introduce an item for hearing and approval by the San Francisco Board of Supervisors (the "Board") which will accept the Collection items as a gift in valuation of more than $10,000 from the NHHC on behalf of the City.

As such, I thank you and your office in advance for your continued cooperation to assure all steps are taken to affect the appropriate and timely transfer of these items to the City and County of San Francisco.

Sincerely,

Edwin M. Lee
Mayor

cc: TIDA Board of Directors
Office of the San Francisco City Attorney

1 Dr. Carlton B. Goodlett Place, Room 200, San Francisco, California 94102-4641
(415) 554-6141

TREASURE ISLAND
YOUR RECREATION DESTINATION

Volume 3, Issue 6
June, 2011

NEWS

This newsletter was prepared
By Good Neighbors of Treasure Island
and Yerba Buena Island
under consultation with:
Treasure Island Development Authority;
and Mirian Saez,
Director of Island Operations

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TREASURE ISLAND NEWS

DEADLINES & CONDITIONS

- All submissions of articles, announcements, and calendar items must be submitted by the 10th of the month prior to publication for consideration. Email

Good_Neighbors@comcast.net

- The editorial board reserves final rights for inclusion and exclusion.
- Acceptable formats are text submitted in Microsoft Word, PowerPoint, Publisher, JPEG or PDF.
- We encourage positive ideas, solutions and creative problem-solving for our communal challenges; we choose to build community rather than find blame.

Annual Treasure Island Cleanup

Back by popular command TIDA, Good Neighbors, Goodwill, Recology and SF Environment will be hosting our 4th annual Island cleanup

Goodwill Industries will accept almost anything in good, clean, working condition. High quality women's clothing, books and house wares are particularly needed and appreciated. As a guideline, if you would give it to a friend or hand it down to a relative, it's perfect for Goodwill! They will also accept computers, computer accessories, household electronics and televisions, working or not, for their computer recycling and electronics recycling program.

Treasure & Yerba Buena Islands
Collection and Clean Up Day
Saturday June 11, 2011
9:00 a.m. to 12:30 p.m.
Catholic Charities Lot,
Avenue D & 10th Street
Sponsored by TIDA

Continued on page 5

Update on the Navy cleanup Program

By Jim Sullivan, Navy BRAC Program Management Office, West

The Navy and their contractors continue investigation and environmental cleanup at locations on Treasure Island.

Public Meeting on Tuesday, June 14th for Site 27 Clipper Cove Skeet Range: The Navy and California DTSC will hold a public meeting on Tuesday, June 14th 2011 for the Proposed Plan / Draft Remedial Action Plan for the cleanup of the sediment at the Site 27 Clipper Cove Skeet Range. The meeting will start at 6:30 p.m. at the Casa de la Vista with a presentation by the Navy and DTSC, followed by an informational open house about the former skeet range cleanup until 8:30 p.m. The purpose of the meeting is to accept verbal and written comments on the Navy's proposed cleanup plan for the skeet range. A copy of the Proposed Plan / Draft RAP will be mailed to TI/YBI residents in early June. Everyone is welcome at the public meeting. The public comment period will run from June 2nd to July 2nd 2011. See the mailer or the Navy's website for more details.

Property Transfer: The Navy expects to sign the 3rd Finding of Suitability to Transfer (FOST) in June. Two previous FOSTs were completed in 2006 for portions of TI and YBI. The FOST documents by themselves do not transfer property, but assess the suitability. These three FOST documents will make up the first conveyance of property from the Navy to the Treasure Island Development Authority (TIDA), which is expected to occur in phases beginning in 2012. Updates on environmental documents for transfer will be presented at the June 21st 2011 Restoration Advisory Board (RAB) meeting and future RAB meetings.

Continued on page 5

June 2011

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7 Board of Supervisors Redev. Plans 2:00	8 TIDA Board Meeting 1:30	9	10	11 Big Three Island Cleanup
12	13	14 Navy Skeet Range Cleanup Meeting 6:30	15 Southern District Police Meeting Community Meeting	16	17	18
19	20	21 RAB Meeting	22	23	24	25 TI Market Place
26 TI Market Place	27	28	29	30		

The **(TIDA)** Board of Directors meets on the second Wednesday of every month at 1:30 PM at San Francisco City Hall, Room 400. For more information, visit www.SFTreasureIsland.org

Treasure Island/Yerba Buena Island Citizen Advisory Board **(CAB)** Meetings are on the first Tuesday of each month 6:00 PM - 8:00 PM. Meeting locations vary. Check the agenda posted on www.SFTreasureIsland.org (These meetings are on hold)

The **Community meeting** is the third Wednesday of every other month *(every even numbered month),* 6:30 PM at Shipshape

The **Navy RAB meeting** is the third Tuesday of every other month *(every even numbered month),* 7 PM at the Casa de la Vista.

Southern (SFPD) Station's community meeting is held on the third Wednesday of each month. Locations vary each month. For information about the meeting locations, or to subscribe to my newsletter, please send an e-mail to sfpdsouthernstation@sfgov.org . All are encouraged attend!

Treasure Island Residents to get green bins

Dear Treasure Island Residents:

Your Housing Provider, in conjunction with Treasure Island Development Authority (TIDA) and Recology, is now providing Green bins for the purpose of composting. These bins redirect organic waste from landfills. Your use of these bins is strongly encouraged, as we are all asked to do our part for the environment.

Provided in this newsletter is a map of Green bin locations and details of acceptable Green bin materials. Please locate and use the Green bin nearest you. There are ample Green bins to ensure all residents have convenient access to a Green bin. Residents should not relocate Green bins.

Kitchen pails will be provided to all households for the purpose of collecting and transporting compostable material to the Green bins. Kitchen pails will be delivered to your doorstep on the week of June 13, 2011. The first Green bin service pickup will be on Monday, June 20, 2011.

The Green bins are for the sole purpose of acceptable compostable items. Trash and recyclable items should continue to be placed in the appropriate Blue and Black bins. Please review the list of acceptable and non- acceptable Green bin items on page 8.

On June 11, 2011, Treasure Island will be hosting its "Big Three" cleanup where the proper use of the Green bins will be demonstrated. We look forward to your participation in this important Green bin program.

Should you have issues or problem with the Green bin program, please contact your housing provider.

Sincerely - Your Housing Provider.

Continued on page 8

the YMCA

FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

NEW SUMMER HOURS

Starting Tuesday, May 31
Tuesday– Friday 2-10pm
Saturdays 12-5pm
TREASURE ISLAND YMCA

Free
Must be 18 years old to sign up
Or have a parent/guardian signature

Continued from page 1

TI Housing Area (Site 12): Soil excavation will resume in the Westside Drive area in early to mid June 2011. Additional project updates will be provided at the RAB meetings.

Cleanup work is planned to begin in the Bigelow Court area (east of Keppler Ct., north of Sturgeon St. and Flounder Ct. and south of 13th St.) in Fall 2011. The work will include soil excavation and the demolition of two buildings.

Perimeter Road/Path: Due to ongoing Navy cleanup work, two sections of the Perimeter Path remain closed until cleanup work is complete. The Perimeter Path is open to foot traffic from the south to the Westside Drive/Lester Court excavation, where it is then fenced off. The path is open to foot traffic north of Lester Court and east all the way to Avenue M including the boat ramp area.

Site 31 Former South Storage Yard: This site includes a portion of the south schoolyard area of the former TI elementary school and 11th Street between Avenue D and Avenue E. Soil excavation work is expected to resume in late Summer 2011. The intersection of 11th Street and Avenue E is temporarily closed.

Site 33 Waterline Replacement Area: This site is located in the southeast portion of TI between 3rd and 5th Streets east of Avenue H. In late Summer 2011, the Navy plans to begin a soil excavation similar to the cleanup project at Site 31.

Building 233 Demolition Debris Removal: This former building was located on the east side of Avenue M between 3rd and 4th Street. Building 233 was a Navy training building and the site of a 1950 spill of a vial of radium salts in a classroom. Additional radiological screening of the demolition debris is expected to be completed in the Summer, after which the debris will trucked off the island for disposal. The Navy will conduct a radiological Final Status Survey (FSS) of the former building footprint later in 2011 in preparation for future property transfer to TIDA.

Other Ongoing Cleanup Projects: There are two ongoing groundwater cleanup projects; at Site 21 near the TI Sailing Center at Pier 12, and at Site 24 on the east side of the island.

Where You Can Get More Information: Copies of documents are available for review at the Information Repositories at: San Francisco Public Library, Government Publications Section, 100 Larkin Street, San Francisco, California, (415) 557-4400 and the Navy BRAC Caretaker Site Office, 410 Palm Ave, Building 1, Room 161 on Treasure Island, (415) 743-4729. Select documents are also available on the Navy's website, including the 2010 Site Management Plan (SMP), which provides descriptions and schedules for all the environmental sites. The Navy plans to issue a new 2011 SMP in October.

If you have any comments or questions, please contact James Sullivan at (619) 532-0966 or send an e-mail to james.b.sullivan2@navy.mil. You can also attend the bi-monthly Restoration Advisory Board (RAB) meetings to get updates on Navy cleanup projects at TI and YBI. All RAB meetings are public meetings. Everyone is welcome! The next RAB meeting (No. 154) is **Tuesday June 21st** at 7:00 pm at the Casa de la Vista.

Newsletters and Information Sheets will also be mailed out periodically by the Navy.

Please visit the Navy website at **www.bracpmo.navy.mil.** Final RAB meeting minutes since 2005 are available on the website.

Looking east towards the Site 27 Former Skeet Range in Clipper Cove. The Navy is proposing to dredge some of the sediment near the shoreline to remove lead shot.

BOYS & GIRLS CLUB

Island Youth Need Your Help!

The Boys and Girls Club on Treasure Island serves over 100 youths with a number of services and programs but continually need volunteers!

Opportunities for regularly scheduled or drop in tutoring and mentoring are available.

Don't short change yourself on what you can do to impact a youth!

Treasure Island Notary Public

Chad Miller
chadmnotary@gmail.com
(415) 837-8969

notary: someone legally empowered to witness signatures and certify a document's validity and to take depositions.

Registered with the State of California

Island Cleanup—Continued from page 1

Recology Can Accept

Green Waste and Other Compostables

- Yard waste, landscaping debris, and all other organic material: leaves, grass, flowers, tree and brush trimmings, plants, weeds, food scraps, etc.
- All clean wood (untreated and unpainted); nails are acceptable (Pallets are OK).
- Plywood and particleboard are not acceptable and go in the black box.
- Waxed cardboard.

Large or Bulky Items

- Curbside recyclable material (cans, glass bottles, plastic bottles, cardboard, and wall paper).
- Appliances (stoves, washers, dryers, dishwashers, refrigerators, freezers).
- Scrap Metal (any item that contains metal, such as a kitchen chair, lamp, pipes, bird cage, bed frame, etc.).
- Mattresses and Box Springs (including futon mattresses).
- Electronics (including stereo equipment, VCR's, old telephones and microwaves).

Non-Recyclable/Non-Compostable Waste

- Plastic bags, Styrofoam, ceramics, light bulbs, painted or treated wood, etc.

Recology San Francisco will also be on hand to accept (almost) all hazardous waste, which includes:

- Paint, stains, varnishes, solvents, thinners
- Fuels, used motor oil & filter, antifreeze, car batteries
- Glues, adhesives
- Cleaning products, gardening chemical, pesticides, fertilizers, herbicides
- Aerosols
- Household batteries (AA, AAA, C, D, 9-volt, watch batteries, phone batteries, etc.)
- Fluorescent lights (tubes, bulbs & other shapes) NO BROKEN LIGHTS WILL BE ACCEPTED
- Mercury thermometers: exchange for FREE digital thermometer
- Propane tanks under 20 lbs (BBQ size)

These products CANNOT be accepted: explosives, ammunition, flares, radioactive materials, medications, non-propane gas tanks or propane tanks over 20 lbs, construction waste, mixed hazardous waste, leaking or unknown items.

For a FREE HOME COLLECTION of hazardous waste, call Recology San Francisco at 330-1405

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EXERCISE YOUR MIND AND BODY

Tuesday Night Yoga
6:30PM –7:30PM
TREASURE ISLAND YMCA

Join us for our new yoga class.
Beginners are welcome

749 9th Street
San Francisco, CA 94130
415-765-9037

An Ounce of Prevention...

Summer is here and with the increased heat and daylight hours the overall crime rate in San Francisco increases. Treasure Island is no exception! While our overall crime rare is below the rest of the city, we do experience elevated burglary rates during June and July. Help make this a safer summer by following these simple tips...

Keep your doors and windows locked and your blinds drawn, even on the second floor.

- Get to know your neighbor - - keep an eye out for each others safety.
- Gifts and valuables should be kept out of sight and away from windows.
- When traveling, ask a neighbor to watch your house. If you have an alarm system, use it! Only tell people you know and trust when you plan to travel.
- Put timers on different lights throughout the interior and exterior of the house.
- Know your neighbors and become involved in your community! Contact "Good Neighbors" by visiting www.TreasureIslandSF.org or emailing Good_Neighbors@comcast.net

A Special Note to Parents and Guardians

With school out of session youth have a lot of free times on their hands. Help them have a fun and safe holiday.

-Encourage your child to participate in the Boys & Girls Club, the TI Sailing Center, the YMCA and other programs.

-Know your child's friends and what they are doing. Plan activities with other parents.

-Remind your children that bb or paint guns, fireworks, pocket bikes, or discharging fire extinguishers is prohibited on the island.

Parents/Guardians are responsible for the action of their children and their guests Don't risk your lease with a child's bad behavior.

Look out for your safety and that of your neighbors as well!

To report a crime always call the police first!

For **Emergencies** or **crimes in progress** **dial 9-1-1**
(from a cell dial 415 553-8090)

For Non-Emergencies (415) 553-0123

Terra Firma Farm

If you'd like to cut out the middleman on your organic vegetable bill and have vegetables delivered right to the island, sign up for the Terra Firma Farm CSA vegetable drop.

Terra Firma farm provides vegetables to many restaurants and independent grocery stores such as Rainbow. Instead of driving into town to pay retail you can have the farm drop them off right on the island.

They have a variety of boxes - from one designed especially for people who tend to eat out more and just want fresh veggies a few nights to the hard core herbivore.

When there are subscriptions for a minimum of 10 boxes the drop will be activated and you will receive details on when and where to pick up your vegetables each week.

Charges for your subscription will only be activated when the minimum of 10 boxes for the island is met and the drop spot is activated.

Subscriptions can be canceled easily at anytime. Terra Firma also has drops throughout the city so you may be able to continue your subscription if you move to a different neighborhood.

Click here to set up your subscription:
http://www.terrafirmafarm.com/signup.html

Albert & Eve

Albert & Eve delivers organic fruit & vegetable boxes to your door!

- Five reasons to join today & eat with your season:
- Customize your box every week!
- Save up to 30% on organic produce
- Free weekly home delivery
- High quality organic fruit & vegetables
- No commitment

Visit www.alberteve.com

TIHDI
Treasure Island Homeless Development Initiative

2011 Workshop Schedule

ECONOMIC SELF SUFFICIENCY PROGRAM

All workshops held on the 2nd Wednesday of the month from 6:00pm-8:00pm unless noted with an asterisk*

SPECIAL POINTS OF INTEREST:

- **FREE!**
- **REFRESHMENTS SERVED!**
- **Location: Ship Shape Building 850 Ave. I**
- **Pre-registration is Required!**

Call or email Sherryl or Lani:

(415) 986-4810
smorris@tihdi.org
lhanson@tighdi.org

PLEASE NOTE:

- **Workshops with the *same name will have the same information*, do not sign up for two of the same workshops.**
- ***Computer Help Day* is not a normal workshop, it is an opportunity for you to bring in your personal computer with any problems, to have a computer technician attempt to fix it.**

April

April 6th
Intro to the Internet

April 13th
Credit Building Workshop

MAY

*Wednesday, May 11th, 10:30am-12 Noon
Resume Writing Workshop

*Monday, May 16th, 6:00pm-8:00pm
Introduction to Small Business Development Workshop

May *continued*

*Saturday, May 21, 1:00pm-4:00pm
Computer and Technology Help Day

July

*Monday, July 11th, 6:00pm-8:00pm
Asset Building Workshop

August

August 10,
Credit Building Workshop

September

September 14
Asset Building Workshop

Fun, Free, Informative Workshops! Call now to sign up!

October

October 12th
Credit Building Workshop

November

*Monday, November 14th, 6:00pm-8:00pm
Asset Building Workshop

Green Bins, continued from page 3

Acceptable Green Waste Materials
Only place materials accepted for composting in your compost bin!

Food Scraps *(Anything that used to be alive)*

- Bread, grains and pasta
- Coffee grounds with paper filter
- Dairy
- Eggshells and eggs
- Fruit (pits and shells too)
- Leftovers and spoiled food
- Meat (including bones)
- Seafood (including shellfish)
- Tea and tea bags
- Vegetables

Food Soiled Paper

- Coffee filters
- Greasy pizza boxes
- Paper cups and plates
- Paper ice cream containers (metal or plastic rim is OK)
- Paper bags, napkins, tissues and towels
- Paper take-out boxes and containers (metal handle OK)
- Tissues
- Waxy paper milk and juice cartons (no foil liner, plastic spout OK)

Plants *(Extra yard trimmings must be boxed, bundled or placed in brown paper bags less than 40lbs per item and placed next to the green cart for collection.)*

- Branches and brush
- Flowers and floral trimmings
- Grasses and weeds
- Leaves

Tree trimmings (less than 6 inches in diameter and 4 feet long)

Other

- Cotton balls and cotton swabs
- Hair, fur, and feathers (non-synthetic)

Plastic and cutlery clearly labeled "Compostable" (green stripe or sticker to allow for easy identification)

- Vegetable wood crates (metal wire is okay)
- Waxed cardboard and paper
- Wood - small pieces of lumber or sawdust from clean wood only (no plywood, pressboard, painted, stained or treated wood)
- Wooden chop sticks

Unacceptable Green Waste Materials
Please do not place the following materials into your green container!

Aluminum foil or trays
"Biodegradable" plastic (not labeled "Compostable")
Cat litter or animal feces
Ceramic dishware or glassware
Clothing linens and rags
Cooking oil

- Corks - Natural (Drop in barrels at Whole Foods)

Corks - plastic
Diapers
Dirt, rocks or stone
Flower pots or trays

Foil-backed or plastic-backed paper
Glass, metal or plastic not labeled "Compostable"
Juice or soy milk type boxes with foil liner

- Liquids or ice

Plastic bags, wrappers or film
Recyclable/clean cardboard or paper
Styrofoam
Wood - plywood, pressboard, painted or stained wood

Treasure Island Green Bin Locations

TREASURE ISLAND FLEA

Saturday June 25 & Sunday June 26
On the Great Lawn
9 am–4 pm
Residents show your ID for free entry

Treasure Island Flea is owned and operated by The Marin County Flea Market LLC., a privately held company, co-founded by Angie & Charles Ansanelli, with offices located in Novato, California. The company is committed to bringing a quality open-air market to Treasure Island where families and friends can gather and enjoy shopping for unique one-of-a kind items.

Treasure Island MarketPlace can be contacted at Info@TreasureIslandFlea.com or 415.898.0245.

Jane Kim
DISTRICT 6 SUPERVISOR

June 2011 Office Hours

Friday, June 3, 2011 - 12:30 pm - 2:30 pm
Location City Hall - Rm 282

Saturday, June 11, 2011 - 11:00 am - 1:00 pm
Location Mission Neighborhood - TBD

ADT

Peace of Mind?

Get an ADT security system with **FREE** installation & activation.
You may also get a discount on your renter's insurance.
Costs are a $50/year alarm license* to City of San Francisco and $43/month to ADT for the standard system.

You get: Keypad, 2 door/window sensors, 1 motion detector, 1 remote control, indoor audible alarm, 2-way voice communication, Smartphone, 24-hour battery backup, yard signs and window decals.

Call Rico Sanchez (650) 290-4590 or email rcsanchez@adt.com.

* Pro-rated by quarter if you buy after March.

Worth Every Penny.

E-mail Updates from Good Neighbors

Good Neighbors sends out at least one email per month containing the community newsletter and sometimes more. If you would like to get these updates, please write to: **Good_Neighbors@comcast.net**. Your information will be treated as confidential and your address will not be shared with others.

To ensure that future announcements from Good Neighbors of Treasure Island and Yerba Buena Island are delivered to your inbox (not your bulk folder), please add **Good_Neighbors@comcast.net** to your address book.

If you have already signed up but are not getting announcements, please check your SPAM filter.

NOTE: Signing up on the list does not make you a member. To become a member, please visit **TreasureIslandSF.org** and complete an online membership application.

We're on the web!
www.TreasureIslandSF.org

How To Subscribe

Anyone can subscribe to this FREE newsletter by sending your request to:

Good_Neighbors@comcast.net

Please encourage your housemates, neighbors, and others interested in Treasure Island to sign up.

Or, residents of the Villages, can also send an email to:

Villages@JSCO.net

With the subject "Email Notices Sign-up" and include your name, address and contact info. Staff will verify the information, then send the latest community news.

GOOD NEIGHBORS OF TREASURE & YERBA BUENA ISLANDS

Next Quarterly Meeting

Saturday, July 9
Shipshape
11 am—1 pm

Call (415) 520-6653

the YMCA

FOR YOUTH DEVELOPMENT
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

ROLLER SKATING AT THE Y

JOIN US AT TREASURE ISLAND YMCA
FOR OLD SCHOOL TUNES
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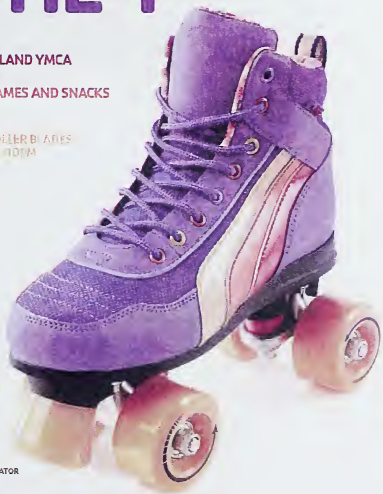
BRING YOUR SKATES OR ROLLER BLADES
FRIDAY JUNE 24 FROM 6PM-10PM

TREASURE ISLAND YMCA
749 9TH STREET
SAN FRANCISCO, CA 94130

FREE



WE ARE HAVE A LIMITED SUPPLY OF YOUTH SKATES FOR CHECK OUT

FOR MORE INFO CONTACT:
MEGAN WEIST-ZUKAUCKAS, TI COORDINATOR
EMAIL: mweist-zukauckas@ymcasf.org
PHONE: 415 765 5037

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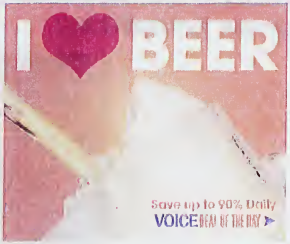
Best Music Festival
published: May 18, 2011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VOICE DEAL OF THE DAY

San Francisco has enough music festivals that arguing about the best one is kind of like arguing over sexual positions: You're entitled to your preference, but it's hard to go really wrong with any of them. Sure, Outside Lands is bigger, and Hardly Strictly Bluegrass is more, uh, free. But the annual Treasure Island Music Festival is uniquely, romantically San Francisco: held on a small lawn that directly borders the bay, it lets festivalgoers spend an entire weekend bordered by a dramatic panorama of the city's waterfront. Views are just the beginning. Treasure Island also boasts some of the best-curated lineups of any similarly sized festival anywhere, with a great mix of top-tier national artists and well-picked locals representing the music scenes on both sides of the bay. Last year's festival featured an electronic-focused day and a more rock-focused one, both of which offered an astounding array of solid artists. And with only two stages, attendees aren't forced into making the endlessly difficult decisions that larger festivals require. Couple that with reasonable prices, smaller crowds, and even a giant Ferris wheel overlooking the bay, and Treasure Island's annual music party is pretty much impossible to beat.

KTVU.com

Treasure Island Welcomes 40-Foot Dancing Woman Sculpture

Enlarge Image

Russ Eddy

Posted: 4:52 pm PDT May 19, 2011Updated: 5:28 pm PDT May 19, 2011

TREASURE ISLAND, Calif. -- A statue of a 40-foot dancing nude woman that towered over the Nevada desert at last year's Burning Man festival is the newest resident of Treasure Island.

The installation of "Bliss Dance," a sculpture created by artist Marco Cochrane, was completed Wednesday as part of the Treasure Island Development Authority's public art policy, authority officials said.

Cochrane was born in Italy, raised in Northern California, and currently works out of a studio on Treasure Island.

Bliss Dance was described by city officials as "a marriage of classical sculpture technique and modern design."

It is a sculpture of a naked woman standing on one foot as she dances, hands in the air. The sculpture is lit by 1,000 LED lights controlled by a customized iPad application, which Cochrane hopes to offer for download soon, organizers said.

"I'm just excited to have her on the island," said Mirian Saez, director of island operations.

"It's going to attract lots of different people to the island, and that's our hope," she said. "The more people come out, the more people realize that Treasure Island is here as a destination for the Bay Area."

She said there is a lot of open space on the island and the authority has been trying to encourage new public art installations.

"We're hoping that with this one, others take note," she said.

Saez pointed out that art is an integral part of Treasure Island's history, and that artists like Diego Rivera and Miguel Covarrubias participated in the Golden Gate International Exposition, held on the island in 1939 and 1940.

"As always, we try to connect our past to the future, and with this display I think we're accomplishing that," she said.

An opening reception for the artwork is planned for May 26 at 6 p.m.

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SFBG
SAN FRANCISCO DAY GUARDIAN ONLINE
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Bliss Dance grooves on Treasure Island

By *steven*
Created *05/27/2011 - 10:42am*

Created for Burning Man, Bliss Dance is now on display on Treasure Island, where she was born.
Steven T. Jones

Dancing against the San Francisco skyline, perhaps looking even more vibrant and beautiful that she did at Burning Man last year, Bliss Dance – a 40-foot steel sculpture by Marco Cochrane and company of a nude woman feeling her musical bliss – was feted by city leaders and residents during a reception at its temporary new home on Treasure Island last night.

Mayor Ed Lee thanked the Black Rock Arts Foundation, a nonprofit offshoot of Burning Man [1] that helps place art in San Francisco and other cities, for its work on this and other local projects. "You're really helping us revitalize so many areas," Lee said, adding, "I know there will be many more sculptures on this island."

Lee pledged to extend the six-month temporary placement, telling the crowd of hundreds, "It will go beyond October out here," And he even expressed an interest in visiting Black Rock City when he said, "Perhaps I will join you one day at Burning Man."

Cochrane and his crew built Bliss Dance [2] for Burning Man right there in a Treasure Island warehouse, where an increasing number of projects for the event have been built in recent years. His latest piece, Truth and Beauty, is now under construction on the island, as is artist Peter Hudson's latest work, Charon, and many others.

After being introduced by Lee, Cochrane said he appreciated being raised in California by hippie parents who encouraged his "puppy-like optimism...And I was fortunate enough to be able to keep it." They encouraged him to "follow your bliss to the fullest" and "to believe that you have an inherent nature and to believe that it's good."

Cochrane was drawn to express his artistic vision by conveying the mysterious beauty and fire of women because "their energy is difficult to quantify in this world." It is also difficult to explain the impact this sculpture has on those who see it, particularly during an event like last night's when it spectacular lighting effects were on full display, a vivid and inspiring image when set against our scenic city.

"Follow your bliss and it will open doors where you didn't know doors existed," Cochrane told the crowd before restarting the dance party with a musical performance by Deja Solis, the model for both Bliss Dance and Cochrane's latest work, Truth and Beauty, in which the nude woman will be stretching her arms to the sky, 55-feet into the air.

Steven T. Jones

Source URL: http://www.sfbg.com/pixel_vision/2011/05/27/bliss-dance-grooves-treasure-island

Links:
[1] http://www.amazon.com/Tribes-Burning-Man-Experimental-Counterculture/dp/1888729295/ref=sr_1_1?ie=UTF8&s=books&qid=1306521733&sr=1-1
[2] http://blissdance.us/

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Treasure Island Flea to be 4th big Bay Area market

Lauren Reed-Guy, Chronicle Staff Writer
Friday, May 27, 2011

Treasure hunters will gain another stomping ground this weekend with the opening of a new flea market.

Treasure Island Flea will become the Bay Area's fourth large market - the second to open in a year - reflecting a revival of interest in flea markets nationwide.

In contrast to the markets at Alameda Point and Candlestick Park, where items must be at least 20 years old, and the Alemany market in San Francisco, a more traditional fleamarket, the Treasure Island market will also include new merchandise and crafts, said Angie Ansanelli, 44, who organized the market along with her husband, Charles, 51.

For the opening weekend, she predicts a turnout of about 150 vendors, ranging from vintage clothing and antiques sellers to indie designers, furniture makers, jewelers, sculptors and food purveyors.

Treasure Island Flea - which will be held the last Saturday and Sunday of each month - is 2 1/2 years in the making for the Ansanellis, Novato residents who began to pursue organizing a market after struggling to find suitable venues at which to sell samples from their line of patriotic clothing.

They found that most of the more upscale markets were limited in scale and wanted to bring vendors and artists together in one "eclectic, higher-end market," Angie Ansanelli said.

Stephanie Vinces of Pacifica will be selling artwork she and her husband make from recycled computer parts.

"There's so much art that cannot make it into the traditional gallery," Vinces said. "Getting people to interact with the art and interact with the artist is something we're finding that the artistic community is very interested in."

After struggling to find a venue for the market in Marin County, the Ansanellis visited Treasure Island, where they were sold on its "knockout views and unbelievable space," Angie Ansanelli said.

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CIVIC CENTER

SAN FRANCISCO AS SEEN THROUGH THE CIVIC CENTER NEIGHBORHOOD: ITS POLITICS, ARTS AND CHARACTERS.

SATURDAY, MAY 28, 2011

Bliss Dance on Treasure Island

"Bliss Dance," a 40-foot statue of a naked dancing woman by local sculptor Marco Cochrane...

ABOUT ME

SFMIKE

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San Francisco Pow Wow in Civic Center

The Parkmerced Controversy

Asian Heritage Street Celebration 1: Tiaras and Po...

Asian Heritage Street Celebration 2: Dancers and F...

Vice Palace: The Last Cockettes Musical

Fototales Episode 7: New York, New York

Pencil Me In

Central Market Art in Storefronts, Take Two

2011 Bay to Breakers 1: Lt. Dangle Cracks Down

2011 Bay to Breakers: Royal Wedding Hats and Tutus...

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sitemeter

...has just been installed on Treasure Island with her behind facing the San Francisco skyline.

"Bliss Dance" is very striking, both as a major piece of engineering and ecstatic sculpture (click here for a website detailing its manufacturing).

It first appeared at the 2010 Burning Man Festival, where it was the hit of the Nevada desert, and the dancing woman will be temporarily gracing Treasure Island from May through October.

On Thursday evening, hundreds of "burners" showed up on Treasure Island for an opening celebration, where they were greeted by food trucks, dance music and freezing cold winds pouring in through the Golden Gate Bridge.

My hostesses were from the Black Rock Arts Foundation, and they were a smart, funny collection of characters.

San Francisco Mayor Ed Lee (above left) gave a speech extolling art on Treasure Island, and promised to bring Hillary Clinton to see "Bliss Dance" when she rolls into town for a conference later this summer. He also hinted that some day he might even visit the Black Rock Desert for Burning Man himself, which made everyone chuckle.

The sculptor Marco Cochrane (above left with the mayor) was next, and he started his speech thanking his "hippie parents who allowed for a certain puppy-dog quality to be nurtured in my character."

We left just as the statue's changing, complex interior lighting display came on because the winds had grown too insistent and cold. This was my first visit to Treasure Island, and it confirmed a suspicion that the place is perfect for temporary large artists' studios and installations, while the plans for high-rise housing developments are completely insane.

Labels: art, politics

POSTED BY SFMIKE AT 11:35 AM

2 COMMENTS:

affinity said...

Thanks so much for joining us in our celebration of Bliss Dance and for the lovely photos and post.

9:28 PM

The Ansanellis hold a lease from the Treasure Island Development Authority, which oversees the redevelopment of the island.

Originally built to host the 1939 Golden Gate International Exposition, Treasure Island was subsequently home to a naval base from 1941 until it was turned over to civilian control in 1997. Plans for a residential and commercial development have been in the works since 2005, and the island plays host to athletic and musical events - and now a flea market.

In recent years, flea markets have sprung up not only in the Bay Area but all across the country, with a notably thriving flea market scene in Los Angeles led by the monthly Rose Bowl Flea Market. In the East, New York City alone boasts more than half a dozen major flea markets.

Environmental consciousness and the push to go green have contributed to interest in flea markets, which feature many recycled and upcycled goods, which are ordinary items transformed into better goods, said Michael Zimmerman, co-director of Big Daddy's Antiques in San Francisco.

The renewed interest is a product of the economy and the popularity of websites such as Etsy, which allow users to buy and sell handmade and vintage items, Angie Ansanelli said.

"It comes from people needing to make money," she said. "They have the talent, but they need someplace to showcase it. (Flea markets) actually put the purchasers right in front of you."

In addition to allowing artists direct feedback from potential customers, flea markets can provide vendors with a springboard to greater recognition or opening a store of their own, she said.

It was participating in the Alameda Point Antiques Faire each month that enabled Big Daddy's Antiques - a longtime Southern California antiques dealer - to open a San Francisco store last year.

"We built up clientele in the Bay Area by doing Alameda," Zimmerman said. "People kept saying, 'You have to open a store,' so we found the space in San Francisco."

Varied vendors

Hours: 9 a.m.-4 p.m. Saturday and Sunday (the last weekend of each month).

Location: Avenue of the Palms, Treasure Island.

Admission: $3 entrance fee; free for children 12 and younger. Pets not permitted. ATMs on-site.

Parking: Free.

Public transportation: Accessible via 108-Treasure Island Muni.

Information: (415) 898-0245. www.treasureislandflea.com.

E-mail Lauren Reed-Guy at lreed-guy@sfchronicle.com.

The Examiner
sfexaminer.com
Published on *San Francisco Examiner* (http://drupal.sfexaminer.com)

Let's build the Treasure Island community

It seems hard to believe that after a dozen tortuous years of paperwork, hearings and compromises, nobody except a few ultrapurist ecology groups and some Telegraph Hill residents fronted by former Supervisor Aaron Peskin noticed the $5.8 billion, 8,000-home Treasure Island development had an environmental impact report that was, in their words, "inadequate and incomplete."

But now an appeal has been filed. So creation of a new "green" 19,000-population community will not receive final approval from the Board of Supervisors on Tuesday. That had seemed ready to happen during a few relieved moments Wednesday after the Budget and Finance Subcommittee, without any drama, approved Treasure Island's financial plan and sent the project for a full board vote.

The environmental report was already approved by the Planning Commission on April 21 in a contentious marathon hearing. A long line of speakers thoroughly debated the issue. Some glowingly portrayed Treasure Island's potential to become a self-sustained ecotopia.

Others blasted the project for its last-minute reduction of affordable-housing units, for the thousands more vehicles it would add into already-crowded Bay Bridge traffic, and for the man-made island's presumed susceptibility to earthquakes and tsunamis.

A city budget analyst's report prepared for the Budget and Finance Subcommittee meeting forecasted a highly lucrative cash infusion for The City's general fund. San Francisco is set to spend $156.8 million and take in $236.8 million during 20 years of construction at the World War II Navy base, originally built on landfill for the 1939 World's Fair. The project would generate thousands of well-paying construction jobs for the 8,000 much-needed housing units. After construction, the project stands to generate even more money for The City. For the first time, the island would have a complete range of community amenities, including retail and restaurants, a school, a hotel, easy parking, open space, parks and ball fields.

A decade of engineering work has produced credible state-of-the-art plans for protecting Treasure Island against earthquakes and tsunamis. And most of The City's $156.8 million infrastructure obligation would be spent on improving access to the island, including more Muni buses and a ferry terminal with downtown service every 15 minutes.

Treasure Island would have either 25 or 30 percent affordable housing, depending on whether The City can obtain a legislative waiver exempting it from Gov. Jerry Brown's plan to dismantle California's redevelopment agencies and end their less-costly construction financing. It is hard to imagine a more win-win project than Treasure Island.

So now the Board of Supervisors is scheduled to consider project approval and the environmental report appeal at its June 7 meeting. At least the report protest will hopefully be the final obstacle delaying Treasure Island's groundbreaking. San Francisco needs to obtain full benefits from the underused treasure it has waiting in the middle of the Bay.

Editorials Opinion Board of Supervisors EIR environmental impact review opinion Planning Commission san francisco Treasure Island

Source URL: http://drupal.sfexaminer.com/opinion/editorials/2011/05/let-s-build-treasure-island-community

The Examiner
sfexaminer.com
Published on *San Francisco Examiner* (http://www.sfexaminer.com)

The new politics of dense development in San Francisco

With Bay Area population growth projected to continue, planning for future transit and housing needs is taking a turn away from the automobile. (Bloomberg file photo)
Dead end: SPUR's Gabriel Metcalf says neighborhoods in the style of Parkmerced are from a bygone era of car-oriented development. (Mike Koozmin/The Examiner)
Treasure Island (Courtesy rendering)
Recipe for growth: Parkmerced offers appealing aspects — such as dense housing in an existing urban area close to mass transit — for city planners. (Examiner file photo)
Parkmerced (Courtesy rendering)

Keeping San Francisco from becoming a forest of skyscrapers once dominated conversations about development in The City. Opposition to such "Manhattanization" was a platform that environmentalists, neighborhood groups and outright foes of development used to block construction projects.

But times have changed.

The onset of global climate change and the automobile-dependent sprawl that helped create it have forced developers, planners, urbanists and even environmentalists to rethink the future of a city facing significant population increases but almost no room left for horizontal expansion.

Click the picture for renderings of the future developments.

Past rejection of density propelled the growth of suburbs and the carbon emissions of longer car commutes. But today's dominant paradigm favors dense, transit-oriented infill developments that encourage walkable access to schools, stores and services.

The transformation of the South of Market neighborhood and the creation of Mission Bay are two prominent examples of such development. More recently, even bigger projects have begun moving through The City's approval pipeline.

In Hunters Point, developers will soon begin construction on a small part of their proposal to build 10,000 new homes. Meanwhile, on Tuesday the Board of Supervisors narrowly approved a plan to build 5,700 more homes at Parkmerced. The board is set to consider a separate vote on about 8,000 new housing units at Treasure Island on June 7.

Politics aside, growth in San Francisco depends, above all, on the sheer demand for housing.

By 2035, the Bay Area is expected to be home to about 2 million more people and 902,000 more homes, with almost all that growth concentrated in existing urban areas. This daunting 29 percent population increase has prompted regional planners to urge local governments to reduce their per-resident carbon emissions by 15 percent.

That's the crux of the "Initial Vision Scenario for 2035," which was released in March by the Metropolitan Transportation Commission and the Association of Bay Area Governments. The report envisions that while the Bay Area's population grows from 7 million to 9 million people, San Francisco will add roughly 90,000 households, pushing its population to around 1 million.

Predictions such as these are encouraging Bay Area cities to greenlight dense transit-oriented housing to help curb car and truck emissions and buck the suburban development trend that has reigned since World War II.

Environmentalists will keep fighting developments that involve the addition of traffic, but don't expect the same kinds of fights over greater density in San Francisco.

"People understand if you just say 'no' in San Francisco, there's going to be a million more people living in Modesto, and that's a horrible carbon footprint," said Jason Henderson, an assistant professor of human geography at San Francisco State University. "The City is willing to absorb its share of growth."

But Henderson also said such growth will require an investment in transit.

"We'd have to buy a lot of new buses and a lot of new trains," he said.

For instance, although the Sierra Club dislikes the parking plan at Parkmerced, developers linked construction of new housing units to a Muni light-rail extension, and the group did not oppose the project.

Instead, the opposition to Parkmerced rested with tenants who love the character of their postwar townhouses. Gabriel Metcalf, the executive director of the San Francisco Planning and Urban Research Association, regards such housing as an anachronism.

"Parkmerced was from an era when people were fleeing cities to places with green lawns and easy car access, removed from the problems of the inner city," Metcalf said. "What we've learned since then is that more-traditional city forms give more options to people. We need to say no to development that is car-oriented and yes to development that is transit- and pedestrian-oriented."

The San Francisco Board of Supervisors' approval, in a 6-5 vote, of the massive Parkmerced redevelopment seems to suggest an emerging political consensus in favor of Metcalf's viewpoint.

The fight over Treasure Island, which would bring 16,000 more people to the middle of San Francisco Bay and presumably add to the already snarled state of Bay Bridge traffic,

is different.

Despite planners' efforts to beef up ferry and bus services and include amenities that would reduce off-island trips, detractors still can't see how the project won't involve more cars. John Rizzo, the political chairman of the Sierra Club's San Francisco Bay chapter, said his organization supports infill development, but Treasure Island doesn't fit that bill.

"To say people are always going to take the ferry or do everything they need on the island is just kind of crazy," Rizzo said. "If you densify an area and it doesn't have any transit, it's just going to clog everything up."

dschreiber@sfexaminer.com

No sure bets when it comes to housing

Months of political tip-toeing before Tuesday's approval of a massive housing redevelopment at Parkmerced should demonstrate a simple lesson: There is no exact formula for predicting whether development plans become reality in San Francisco.

Parkmerced has most things The City's fractious development intelligentsia are now seeking — dense housing in an existing urban space with access to San Francisco's mass-transit system. From 1975 until the early '90s, political leaders faced opposition for approving large buildings even when they were located close to transit nodes.

That was underscored, San Francisco State University political science professor Richard DeLeon said, by the 1986 approval of Proposition M, which put caps on high-rises, among other limits.

By 1992, when DeLeon's book "Left Coast City" was published, the local pro-growth movement had been hampered by increased political clout of neighborhood organizations seeking to preserve San Francisco's special character. But with the rise of the movement known as "urbanism," the rules of the game have changed.

"Now there is more of a shift to extract as much as possible in community interests and strike hard bargains," DeLeon said. "The most radical force on Earth is capitalism. ... There's something to be said for politically mobilized forces that challenge these market forces to eventually produce a deal that has popular legitimacy."

In Hunters Point, developers proposing to build 10,000 new homes also promise to maintain affordable units in a city that badly needs such housing.

That was the deal hashed out by progressive former Supervisor Chris Daly in 2007, when he helped facilitate 360 rent-controlled units in South of Market's Trinity Plaza. Daly also pushed for developers to pay into a community-stabilization fund for residents and businesses that would be affected by a Rincon Hill high-rise development in 2005.

Supervisor Sean Elsbernd, whose district includes Parkmerced, said the more recent development includes more affordable-housing options than Trinity Plaza, which passed unanimously.

"The general concept of smart growth, development on transit lines, is starting to spread across the political spectrum," Elsbernd said. "But development issues in San Francisco are never black and white. There are always other interests." — *Dan Schreiber*

Treasure Island

2,800 Current residents

16,000 Projected population increase

8,000 New homes

2,000 Affordable housing units

2032 Projected completion

Transit options

- Increased bus and ferry services are aimed at reducing car trips on and off the island, which is in the middle of San Francisco Bay. Planners want a ferry to downtown every 15 minutes and a Muni express bus every seven minutes in the morning and five minutes in the afternoon. A tentative plan would require drivers to pay a $5 fee to drive off the island on weekdays.

Source: Mayor's Office of Economic and Workforce Development

Parkmerced

7,300 Current residents

13,000 Projected population increase

5,700 New homes (8,900 total)

3,200 Rent-controlled housing units

2031-41 Projected completion

Source: Stellar Management

Transit options

- A realignment of Muni's M-Oceanview line will take riders further into the redeveloped neighborhood, with a zero-to-low emissions shuttle bus that brings less-connected residents directly to the Muni stop. The M line runs northeast to downtown.

Source: San Francisco Municipal Transportation Agency

Local Development development Manhattanization Muni Parkmerced san francisco Treasure Island

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By *Dan Schreiber*
Created *Jun 3 2011 - 3:10pm*

Treasure Island redevelopment plan to be heard by Board of Supervisors

The San Francisco Board of Supervisors is set to decide on an appeal to plans for the massive redevelopment of Treasure Island on Tuesday, as opponents are expected to come out in droves against increased traffic created by a new population in the middle of San Francisco Bay.

The 20-year development of 8,000 new homes on the former U.S. Navy base is expected to increase the number of people on the island by about 16,000. Despite efforts by planners to increase bus and ferry access and possibly charge a $5 fee for driving off the island on weekdays, the Sierra Club joined a consortium of groups and former Supervisor Aaron Peskin in opposing the project's environmental impact report last month.

Peskin spoke during the public comment period at the Planning Commission's April 21 4-3 approval of the plan and said developers won't deliver on promises of making the island a self-sustained ecotopia. Peskin pointed at the increased housing targets from 6,000 to 8,000 and the reduction of affordable housing units from 2,400 to 2,000 as the first of many changes to come.

The appeal says the environmental report fails to set out a solid plan for two decades of construction and that the project has changed since the document was completed. Supervisors Jane Kim and Ross Mirkarimi called for changes in state law last month that would restore the 400 affordable housing units, which were lost when the project was forced out of The City's Redevelopment Agency budget into an infrastructure financing district model because of Gov. Jerry Brown's desire to eliminate redevelopment agencies statewide.

Other opponents have brought up the danger of being on the island during an earthquake or tsunami because it is made of liquefaction-prone fill dredged from the bay, but project officials say they've already addressed that with plans to compact soil and set structures back from the shoreline.

Supervisors were set to hear the Treasure Island matter May 17, but it was delayed until Tuesday because of the appeal.

In a separate action, an appeal to the final environmental impact report for the North Beach Public Library is also before supervisors Tuesday. That plan was unanimously approved by the Planning Commission on the same day as the Treasure Island hearing.

dschreiber@sfexaminer.com

Under the Dome san francisco San Francisco Board of Supervisors Treasure Island

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June 4, 2011

Development Guidelines Prompt Clash

By JOHN UPTON

Plans to build 12,000 homes in Redwood City are at the heart of an escalating spat between developers and environmentalists about proposed shoreline building guidelines to prepare the region for climate change.

The San Francisco Bay Conservation and Development Commission, a state agency, is drafting guidelines that would limit construction along undeveloped waterfronts and promote shoreline habitat restoration projects. Last month, after more than two years of public hearings, the business community sharply criticized the guidelines as anti-development.

Those complaints prompted minor revisions that would explicitly promote infill development, but business representatives said Thursday at a commission hearing in San Francisco that the changes did not go far enough.

Environmentalists, meanwhile, fervently support the guidelines, saying they are needed to protect residences and help nature adapt as the climate changes.

DMB Associates, the firm behind the ambitious Redwood City Saltworks development, spent more than $350,000 on lobbyists over the past year to influence and monitor the proposal and other state regulations and legislation, records show.

The developer has criticized the vague nature of the draft guidelines, saying they create uncertainty for the 1,437-acre project that has been the subject of five years of planning efforts. The company is looking at other Bay Area development opportunities that could also be affected.

"It talks generally about protection of areas," said David Smith, a DMB Associates vice president. "We think it needs specificity on what's going to be protected and how."

The Redwood City Saltworks development would create a dense residential community with homes, schools and retail outlets amid a chain of shoreline habitat restoration projects on the Cargill salt ponds on the edge of San Francisco Bay.

The draft guidelines allow for construction in some shoreline areas that are already developed because levees or other flood-control measures will most likely be put in place as seas rise. But the guidelines would require the protection of undeveloped areas if they could flood or provide refuge for wildlife.

According to Will Travis, executive director of the development commission, the guidelines are not hard-and-fast rules.

"We don't think the policies that we adopt should either pre-approve or pre-deny a permit anywhere," Mr. Travis said. "If you're dealing with areas that have high potential for restoration, we would discourage development there. If you're trying to do a project that concentrates housing near transportation and jobs, that ought to be given high priority."

Development plans for former Navy bases at Hunters Point and Treasure Island would not be affected, since these projects already meet or exceed many of the proposed guidelines, said Tiffany Bohee, a San Francisco economic development official.

The guidelines could be completed and adopted this fall.

jupton@baycitizen.org

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S.F. approves Treasure Island plan

Will Kane, Chronicle Staff Writer
Wednesday, June 8, 2011

SAN FRANCISCO -- To cheers and applause from the audience, the Board of Supervisors unanimously approved a massive new neighborhood proposed for Treasure Island.

In the 11-0 vote the board rejected claims by groups such as the Sierra Club that the project would harm the environment and exacerbate traffic problems.

Instead, members of the board said the $1.5 billion project would breathe new life into the old Navy base in the middle of San Francisco Bay.

The plan, almost 15 years in the making, calls for 19,000 new residents to live in a new neighborhood wrapped in open space and dotted with high-rises, one as tall as 450 feet. Residential units would be within walking distance of shops, a grocery store, a school and new ferry terminal.

"This is a fantastic project," said Chris Meany, with Wilson Meany Sullivan, one of the project's developers. "This is the only right outcome. Obviously we're very gratified."

Public support of the plan was so overwhelming at the meeting that Supervisor Jane Kim, whose district includes the island, announced she would forgo making a statement in support of the project.

The public's comments were enough, she said. The rest of the supervisors followed suit.

Developers Wilson Meany Sullivan, Lennar Urban and Kenwood Investments said they hope to break ground as early as 2012. The board will cast a second, procedural vote on the project next week.

Over the next 20 to 30 years, they intend to morph the island from an aging former Navy base into a state-of-the-art neighborhood with a mix of affordable and market-rate homes, all designed to save water and energy.

Massive weight will compact the soil, keeping the island stable during earthquakes. A seawall will guard against sea level rise and possible tsunamis. Plans call for the ramps to and from the Bay Bridge to be redesigned and dedicated bus lines to run from the island to downtown San Francisco.

The plan was narrowly approved by the San Francisco Planning Commission in April, when some commissioners were worried by a last-minute cut to the number of affordable housing units and the impact cars would have on the already busy Bay Bridge.

Aaron Peskin, former Board of Supervisors president and a staunch opponent of the project, said he was disappointed by the "politically juiced" vote.

"This is a triumph of politics over public policy," he said. "This will be fantasy island."

He said the project would have significant impacts on traffic in the region and the costs would end up not penciling out.

"This is the beginning of a new and sustainable San Francisco neighborhood," Supervisor David Chiu said after the vote.

E-mail Will Kane at wkane@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/06/08/MNN71JQVU3.DTL

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San Francisco again becoming The City that Knows How

Plans to erect the equivalent of a small city on Treasure Island were approved by the Board of Supervisors this week. (Courtesy rendering)

When San Francisco turns a corner, it usually means it's headed straight into a brick wall. But lately, some controlling forces have taken hold that have helped The City bypass its normal route, resulting in real progress for a place that in recent years has seen reason to take a retreat.

That was in evidence in rather remarkable fashion this week when the Board of Supervisors gave approval to two major development projects that will translate into new housing for generations of city residents. The passage of plans to rebuild the 152-acre Parkmerced apartment complex and erect the equivalent of a small city on Treasure Island will move San Francisco that much closer to being the modern urban metropolis it has long claimed as a goal.

The combined plans will offer new homes to nearly 35,000 residents over the next 30 years in contrasting neighborhoods that can absorb the growth and put to an end — at least for now — the recidivist rhetoric that has held The City back on its housing expansion plans for the better part of a decade.

And the passage of the projects comes at a time when The City is doing what few municipalities have done before — willingly negotiate concessions in exorbitant pension packages that are threatening to make San Francisco insolvent.

While other cities and counties are responding to calls for pension reform with large public protests and legal battles, it's worth noting that the recent accord among business leaders, city officials and public-employee service leaders to agree to major concessions in retirement and health plans is a rarity.

Though that plan is still being tweaked, it's a marked difference from the past when entitlements were considered a given among members of the public sector. Union members certainly were reacting to public pressure to fix a broken pension system, but nonetheless any plan that involves months of negotiations among disparate interests should be considered something of a victory.

"I think there's been a lack of understanding about just how much people have stepped

up," said Rebecca Rhine, the executive director of the Municipal Executives Association who helped broker the measure that is headed for the November ballot. "It may not be as sexy as soap box speeches, but the working people of San Francisco understood that they needed to be responsive."

The same could be said of city officials who, in the space of a few hours, approved two developments that will provide millions in tax revenue and thousands of jobs to San Francisco in the coming years. The $1.5 billion Treasure Island project is expected to make room for nearly 20,000 residents, finally giving life to a place that has been steeped in potential.

The $1.2 billion Parkmerced deal, while more controversial because it involves some temporary tenant displacement, will bring much-needed housing and traffic improvements to The City's southwestern corner and remake a site that has long been San Francisco's shining example of suburban sprawl.

The fact that the board's majority had to rise above the standard regressive attempts to block new housing comes on the heels of its recent moves to change the payroll taxes for high-tech companies and provide incentives for them to remain in San Francisco.

Imagine — a city that wants to raise revenue, create jobs and provide parks and housing for its residents. It's a shock to the system.

Sure, it took the worst recession in U.S. history to bring some perspective to the local political scenario. And it's not without some grumbling that the workers of Main Street realize they are increasingly being forced to pay for the sins of Wall Street.

Yet a considerable portion of The City's elected body has pushed the debate from one of class warfare to that of simple, everyday needs. Cities need all types of housing and all types of jobs — this is no longer the time to dissect them along political lines.

When a coalition of left-leaning organizations and individuals tried to block the Treasure Island deal on the flimsy premise of faulty planning over the past 15 years, it was rejected quickly and resoundingly by an 11-0 vote.

That's a tsunami of a different kind ... one that is actually welcome.

Local Board of Supervisors Municipal Executives Association Parkmerced Rebecca Rhine san francisco Treasure Island

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Redevelopment plan for San Francisco's Treasure Island approved by Board of Supervisors

Changes coming: The often-empty Treasure Island waterfront will likely be bustling after 8,000 units of housing are developed along with parks and open space. (Courtesy rendering)

Changes coming: The often-empty Treasure Island waterfront will likely be bustling after 8,000 units of housing are developed along with parks and open space. (Examiner file photo)

Nearly two decades in the making, a massive plan to redevelop Treasure Island was unanimously approved Tuesday amid concerns over traffic impacts and the loss of hundreds of below-market rate units.

With the vote by the Board of Supervisors on Tuesday, more than 8,000 residential units will be constructed on the man-made 550-acre island within 20 years, including a building as high as 450 feet. The project will also include 100,000 square feet of commercial space and 300 acres of park and open space.

The board also approved amendments increasing the amount of affordable housing in the project, requiring that maintenance and landscaping workers be paid prevailing wages, and requiring the developer to consult with experts in any historic preservation projects. It also required that the development be evaluated after a few years to see if it is meeting goals for transit usage. In addition, the board approved a requirement that the developer pay a fine of up to $10 million for development delays.

Tuesday's vote was a decisive moment for the project, as it rejected an appeal of the project's environmental review that was filed jointly by Golden Gate Audubon, the Sierra Club and former Board of Supervisors President Aaron Peskin, among others. Concerns were raised about the number of parking spaces in the development, as well as a reduction of affordable housing units, from 2,400 to 2,000, due to a lack of funding.

The Planning Department said it reduced allowable parking from 11,150 spaces by 470 spaces to 10,680. Transit is a major component of the project: Residents would be required to purchase Muni passes; a transit hub on the island would offer service to downtown, a free shuttle and a ferry terminal; and a fee would be required to drive off the island.

A naval station on the island was designated for closure in 1993, and operations ceased in 1997. It wasn't until last year, however, that then-Mayor Gavin Newsom was able to strike an agreement with the Navy for The City to take over ownership of the island, which included a payment of at least $105 million.

jsabatini@sfexaminer.com

Project details

8,000 new units

311,000 square feet of historic structures to be reused

140,000 square feet of new retail space

100,000 square feet of commercial office space

300 acres of parks and open space

400-500 room hotel

400 slips in planned new marina

Source: Planning Department

Local Development redevelopment san francisco Treasure Island

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Home > Treasure Island project offers many benefits to San Francisco

By *Anonymous*
Created *Jun 7 2011 - 12:00am*

Treasure Island project offers many benefits to San Francisco

The Board of Supervisors today will decide on a redevelopment plan for Treasure Island. Created for the 1939 World's Fair and once a naval base, Treasure Island is now home to a growing neighborhood and community with sweeping scenic views of the San Francisco skyline.

The redevelopment plan being considered is a smart one that provides benefits not only to current and future residents, but to all San Franciscans — creating jobs, housing, parks, new transit and adding another iconic community to our city's storied neighborhoods.

Our city has created, discussed and dissected plans for Treasure Island for decades. City planners and others have gone to unprecedented lengths to assure that this is a quality development plan — a plan that has already received widespread support from federal and local leaders.

Treasure Island has the potential to create hope for families who want to stay in San Francisco. At least 25 percent of the planned 8,000 residential units will be offered at below market rates. If the state allows The City to capture a higher share of the additional tax increments generated by the redevelopment of the island, the number of below market units will be increased to 30 percent. Nearly one-fourth of those units will be offered to the formerly homeless through the Treasure Island Homeless Development Initiative.

In addition to being a source of hope for many, Treasure Island will be a boost to our city's long-term financial health. San Francisco's budget analyst concluded in May that the redevelopment of Treasure Island will generate $95 million in net revenue to the general fund over 20 years with financial risk and all up-front investments borne entirely by the private developer.

Treasure Island is a job creator. The development itself is expected to generate 2,000 annual construction jobs. Under the current plan, an estimated 3,000 jobs will be permanently in place on Treasure Island. Nearly $4 million will be committed to job-training and hiring programs, most of it for city residents.

The Treasure Island plan supports our city's transit-first policy. Planners have created options such as ferry service to San Francisco, expanded bus service, on-island shuttles and other alternative transportation.

These are all investments we are making for San Francisco families, and I am asking our supervisors to again support our working families and to approve this sensible, sustainable redevelopment of Treasure Island. Now is the time.

Edwin M. Lee is the mayor of San Francisco.

Op Eds Opinion

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Hall blasts Treasure Island deal

By *sarah*
Created *06/07/2011 - 3:33pm*

Mayoral candidate Tony Hall, who also happens to be a former executive director of the Treasure Island Development Authority, just blasted Mayor Ed Lee's endorsement of the Treasure Island [1] deal:

"This deal will never benefit San Franciscans because no banker will advance a billion dollars in pre-development costs that are necessary to shore up and detoxify a man-made island that sits in the middle of a bay on top of one of the strongest earthquake faults in Northern California," Hall claimed in a June 7 press release. "The developers themselves are nearly bankrupt. I'm very disappointed in Mayor Lee for promoting this deal. As an administrator, he should know better and be strong enough to tell the people the truth."

Hall went on to vent about the "City Family," referring to a phrase that Mayor Ed Lee seems to be fond of using anytime he is trying to build consensus at City Hall.

"In the past few weeks, we have seen a trend developing from the so-called 'City Family,'" Hall observed. "In May, they proposed a hasty pension deal that barely scratches the surface of the problem. Now in June they are ready to pass a phony Treasure Island deal that benefits the connected developers and their consultants, but will probably never benefit San Franciscans. All these celebrated agreements seem timed to paper over important issues with hasty solutions right before the Mayoral election. What's next for July? An agreement to build a permanent rainbow across the Bay? The 'City Family' might try to take these issues off the table, but my mayoral campaign is going to put these issues right back squarely in front of the voters."

Mayor's race Treasure Island Sarah Phelan

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POLITICS

Phil Matier: SF Supervisors To Consider Appeal Of Treasure Island Plan

June 7, 2011 10:15 AM

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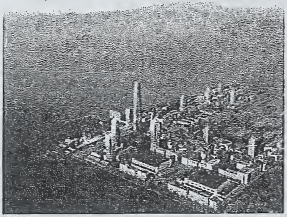

An artist rendering of proposed development on Treasure Island. (Skidmore, Owings and Merrill)

SAN FRANCISCO (CBS SF) – The San Francisco Board of Supervisors on Tuesday planned to consider an appeal by opponents of a $1.5 billion project to transform Treasure Island.

The proposal would add up to 8,000 residential units, up to 140,000 square feet of commercial space and as much as 100,000 square feet of new office space to the Island, as well as new and upgraded roads and infrastructure, including a new ferry terminal.

Reporting Phil Matier

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KCBS and Chronicle Insider Phil Matier, Phil Matier, Redevelopment, San Francisco Board of Supervisors, Treasure Island

The city has been working to redevelop the 404-acre island in the middle of the Bay since the U.S. Navy closed its base there in 1997.

The San Francisco Planning Commission narrowly approved the project's environmental impact report by a 4-3 vote in April, and last month, a Board of Supervisors committee voted in favor of the plan.

But before the project could go in front of the full board, on May 11 a group of environmental advocates and other opponents of the plan filed an appeal that seeks to overturn the Planning Commission's approval of the plan.

The opponents include Golden Gate Audubon, Sierra Club, Arc Ecology and Aaron Peskin, former president of the Board of Supervisors.

Among the complaints in the appeal, opponents argue that the environmental review did not adequately address various impacts of the project, including increased congestion on the Bay Bridge, and the Island's vulnerability to flooding from a tsunami or liquefaction during an earthquake.

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Some opponents also argued that the changes being requested wouldn't make Treasure Island "unique enough."

"We're always going to hear that in San Francisco," reasoned KCBS and Chronicle Insider Phil Matier. "How green is green, how unique is unique? But just sittin' in the middle of the Bay there is a pretty unique experience."

KCBS and Chronicle Insider Phil Matier:

"Controversial as ever but I think it's gonna pass," he continued.

Although the board meeting was slated to start at 2 p.m. Tuesday at City Hall, the opponents' appeal would not be considered until 5 p.m.

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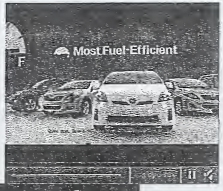

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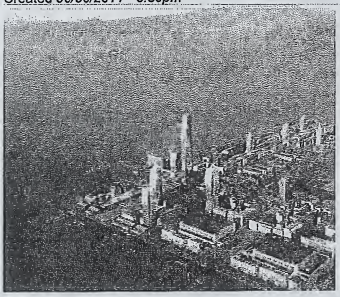
Treasure Island goes to the Board

By *sarah*
Created *06/06/2011 - 5:39pm*



There's three reasons I'll always remember the Chronicle's Phil Bronstein: he used to be married to Sharon Stone, he got bitten by a Komodo Dragon at the L.A. zoo, and he had the audacity to write a column in the Chronicle that was titled "Treasure Island eco-dream is bad choice for funds."
Now it's true that Bronstein was a 1986 Pulitzer Prize finalist for his work in the Philippines. But that was 25 years ago, and I didn't read what he wrote, so I can't comment on the quality of his work then. But now I live in the East Bay and drive past Treasure Island most days of the week—and I have been waiting for someone at the Chronicle to finally voice something other than their usual preppy praise for this increasingly large development in the middle of the Bay.

And Bronstein certainly did have plenty to say about Treasure Island. And it wasn't the usual upbeat pap about "bold and robust visions" that the Chron usually serves up when it concerns anything that involves Lennar and public-private development. Instead, Bronstein began by describing T.I. as a "onetime secretive Navy base filled with deer, political patronage and who knows what buried in the ground."

Now, part of Bronstein's fire may have been a result of him writing his column in April, a few weeks after a massive earthquake and tsunami hit Japan, triggering a nuclear meltdown. Or two or three.

Bronstein's infamous rant even mentioned some of the radiologically impacted things at Treasure Island that, as he put it, "leached into the soil from weaponry or other deadly items: radium and PCBs 100,000 times the acceptable levels."
And then he compared Lennar and billionaire Ron Burkle to "contemporary development pirates." Believe me, that was a surprise to read in the Chronicle.

"This year, they're scheduled to break ground on a huge multibillion-dollar public-private ecotopia mini-city built upon toxic waste and landfill," Bronstein wrote. "This glorious contradiction might become a triumph of super-green living and high-end dreams. But it also represents something else: bad choices about how to spend public money in ever tighter times."

Bronstein noted that the Board has a brief panic in April when they considered whether a Japan-style disaster could wipe out the T.I. plan, but that Rich Hills of the Mayor's Office said the "disaster potential has already been addressed."
"Unless we have what Hills called 'a freak disaster,'" Bronstein added with a cutting bite that his Komodo dragon would have been proud of, including Bronstein's inclusion of the fact that Treasure Island is on the California Emergency Management Agency's tsunami inundation map, and that while we are coughing up $105 million to developers who want to profit from high-density living on T. I, all of us are neglecting aging infrastructure that we already have.

"While T.I. developers are busy putting some kind of shower cap-like cover over the land so trees and foundations don't touch toxic ground that can't and won't be cleaned up, our children stand a pretty good chance of being flattened like pancakes in existing structures while they're learning math and history during the next, inevitable big quake," Bronstein concluded.
Meanwhile, those of us who drive the seismically-compromised Bay Bridge each day can't help wondering how folks who decide to move to the development that's being planned for Treasure Island will ever get off the island—unless they have a pirate ship.

That's because every morning, we get to see a long line of drivers waiting—without much success—for drivers on the Bay Bridge to slow down and let them into the traffic.

Those of us who sometimes commute by ferry also know how tricky it is try and catch the last ferry, which leaves the San Francisco Ferry Building at 8:25 p.m. That's way earlier than most commission meetings end. And earlier than most nightlife begins.

And then there's the question of what happens when you get back to Treasure Island--and realize you forgot to buy milk, collect the dog, or pick up the kids from day care.

Now, maybe the city and the developers believe they have thoroughly considered and answered all these questions. But have they done any outreach to East Bay commuters, whose journey will likely be further impacted by the T.I. plan? If so, I certainly haven't heard about it. And what about the folks in Berkeley who likely won't be able to see San Francisco once a bunch of high-rises pop up in the Bay? Have they been consulted?

This Tuesday (June 7) at 5 p.m., the Board will hear an appeal of the city's Treasure Island environmental impact report and consider a huge batch of related documents. (And I'm willing to bet that most current supervisors don't know too much about this plan, and probably have only flipped through the thousands of pages of documentation related to it)

The appeal was filed by the Sierra Club, Golden Gate Audubon Society, and Arc Ecology, who last year filed an appeal around the city's EIR for Lennar's massive Hunters Point Shipyard/Candlestick Project. Only this time, this trio is being joined by a group of Treasure Island residents—and former Board President Aaron Peskin.

Which reminds me: Three weeks after Bronstein wrote his amazing Treasure Island hit, piece, his fellow columnists at the Chronicle, Phillip Matier and Andy Ross, were back, sounding much more like the Chronicle's attack dogs usually do, when it comes to anyone who dares to find the city and Lennar's massive plans less than perfect: "Peskin, who as a supervisor was notorious for his middle-of-night phone rants to department heads, called the proposed high-rise plan that just squeaked by the Planning Commission a 'laughingstock mistake,'" M& R crowed.

But in the end, they quoted the very thought that Peskin wants M&R to print and Chronicle readers to consider about the city's current Treasure Island plan:

"It will horrify San Francisco and the Bay Area for decades to come," Peskin said.

Now, as the folks joining Peskin in opposing the city's current plan note, they aren't trying to stop the development of Treasure Island. They are simply fighting the latest plan.

"The developer and the city already have an approved EIR and project plan for a 6,000 unit smaller scale, more transit friendly project that was passed in 2006," Arc Ecology states in a flier that it plans to distribute at the June 7 hearing. "Environmentalists and many of the appellants supported that plan. Don't be fooled by the rhetoric. It was the earlier plan that won all the awards for sustainability."

And as Arc points out, the city's latest EIR and the plan currently before the Board is an entirely different animal from the city's 2006 plan.

"It's 25 percent bigger than the 2006 plan, tipping the scales on its impacts," Arc states. "It increases the housing by 25 percent to 8,000 units, decreases transit service and affordable housing and competes with hotels and businesses that already exist downtown."

"What can you do? Tell the Board to go back to the 2006 plan," Arc advises.

The flier also lists a bunch of bullet points that outline some of the coalition's objections.

"It's unsustainable," the flier states, claiming that under the new plan, there will be, "too many cars, too much traffic, too much air pollution."

Under the new plan, there is also a seven percent reduction on the affordable housing set aside and a 17 percent reduction in overall affordable housing units, Arc notes. That's another way of saying, "There is not enough affordable housing."

And Arc claims the island will remain contaminated (see Bronstein's rant about radionuclides and PCBs at the beginning of this post) even after the Navy completes its toxic and radiological cleanup. That the 40-story high-rise towers will obstruct views of San Francisco from the East Bay, and vice versa. And that the project financing plan will drive the city further into debt for at least another 15 years.

Arc's flier concludes by asserting that the whole plan is undemocratic.
"Once approved, there will be no further environmental review of project plans—ever!" Arc claims. "Once approved the project will be implemented by an unelected nonprofit corporation. There has been no outreach or involvement of East Bay residents despite traffic and view impacts. The plan repays $55 million in additional developer costs to purchase this island with hundreds of millions of dollars of impacts on Bay Area residents."

Now, I'm sure officials for the City and the developer will have plenty of counter arguments --and possibly busloads of low-income T.I. residents/unemployed SF workers, who will be shipped into the Board's Chambers to argue that they need the Board to approve this plan so they can have new homes and jobs. Because that's what happened last year, when Arc and the Sierra Club and Golden Gate Audubon expressed their concerns about plans to carve up the Candlestick State Park Recreation Area and build a bridge over the Yosemite Slough. And suddenly found themselves cast as the big bad villains, when it came to the city and Lennar's wish to ram through the Candlestick/Shipyard plan.

But regardless of whether you believe in the project, oppose it, or don't know much about it, make sure you show up at 5pm in Room 250 at City Hall on June 7, if you want to hear what actually goes down. Especially if you work in San Francisco, and live in the East Bay, because much of the Treasure Island traffic will directly impact the East Bay.

Or as Arc puts it, "This new project is 25 percent larger than the prior one and like the difference between a 75 degree day and a 100 degree day – this increase in size makes all the difference. The new project will overdrive bridge capacity, create too much traffic, not enough transit, reduced levels of affordable housing, and vests enormous public power in an unaccountable, unelected development authority. Please tell the Board they don't have to go back to the drawing board – just to the 2006 plan and recirculate the EIR."

Development Lennar Treasure Island Sarah Phelan

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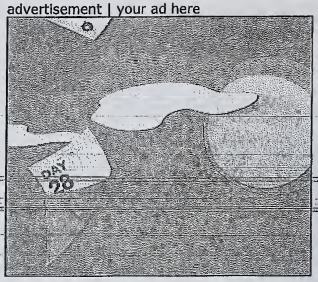

Developers vow to make Treasure Island special

Will Kane, Chronicle Staff Writer
Tuesday, June 7, 2011

Thirty years from now, 19,000 new people could live in a massive new neighborhood on Treasure Island in what developers hope will be the "most modern, most beautiful" spot in San Francisco.

Developers hope the project, which goes before the Board of Supervisors for approval today, will feel like an urban village in the middle of a bustling metropolitan area. They hope urban farms, plentiful public transit and shared community spaces will give residents of the island a sense of community not found in other developments.

But others worry that the proposed project - with an abundance of parking spots, expensive housing and environmental compromises - isn't different enough to make Treasure Island unique.

The Planning Commission narrowly approved the project in April. The board will now consider the project and its environmental impacts.

For Treasure Island to be successful, developers and city planning experts agree that the residents of the island must feel like part of a special, distinct neighborhood where people want to spend time, and not just another community of commuters to San Francisco.

The challenge is that communities, in their abstract sense, are ethereal and easier to create on paper than they are in real life. Often their creation depends as much on luck as on solid planning, experts said.

"Cities have the advantage, they stand out in their region," said Chris Meany of Wilson, Meany and Sullivan, one of the project's developers. "In San Francisco, we have been more successful than most cities in creating distinct neighborhoods. We want to celebrate the best of San Francisco at Treasure Island."

A shopping district, a grocery store, libraries, a school and plenty of open space would give residents an anchor on weekends or when they return from work, he said. Most of the homes are grouped around small parks that will encourage residents to meet their neighbors.

"One of the ways community is enriched is that people aren't always in their homes," Meany said. "Instead of people being isolated by fences, let's have community spaces dotted throughout the neighborhood."

The fact that the project is on an island could help foster a sense of community, said Jay Walljasper, a senior fellow at the Project for Public Space, a New York City think tank.

"There's just something that makes you feel more connected, a sense that we're all in this together," he said.

Meany said his development team looked at people's favorite aspects of San Francisco and tried to work them into Treasure Island.

"(We decided) let's use the things we know people are most attracted to," he said.

But that's where the plan could have gone further, Walljasper said, echoing the concerns of many local opponents. Treasure Island should be a development that can't be found anywhere else.

"It would be a shame if the city didn't break some new ground, both literally and figuratively," he said.

E-mail Will Kane at wkane@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/06/07/BAI01JQ9DA.DTL

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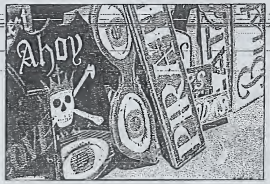
Super Market: Highlights from Treasure Island's Inaugural Flea Market



The first-ever Treasure Market Flea Market was this past Saturday and Sunday, and I made my way over for a toll-fare-free visit to San Francisco's Bay Bridge pass-through island for a perusal and a jaunt. I came home with a large abstract painting with questionable roots. Was the artwork an early abstract expressionist piece from a well-represented California artist or an attempt at drip painting from a local garage artist? The joy of shopping at a flea market is not knowing what great finds await you. Read on for a review of funky favorites found at the flea. Read more...

By Lynn Kloythanomsup on June 01, 2011 10:00 AM
under Style + Design, Treasure Island Flea Market

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Treasure Island Flea offers eclectic loot

Lauren Reed-Guy, Chronicle Staff Writer
Sunday, June 5, 2011

With the opening of the Bay Area's fourth large market last weekend, the flea market revival marches on.

An estimated 9,500 people paid the $3 entrance fee and came out to the inaugural Treasure Island Flea over the course of the weekend to shop, eat and browse the market's 150 vendors.

According to Angie Ansanelli, who founded the market with her husband, Charles, it "couldn't have gone better."

While other Bay Area markets focus primarily on antiques, Treasure Island is a broader assortment, with many vendors selling artwork and crafts. "It's a little bit of everything," said Georgia Stewart, who brought her reconstructed clothing line out to sell on opening weekend. Stewart also sells at the Alemany Flea Market and the Alameda Point Antiques Faire, as well as at local farmers' markets, but said this one was "more of a mix of product."

Included in the mix were repurposed furniture, vintage clothing, handmade jewelry and floral arrangements.

Despite Saturday's intermittent showers, Ansanelli said, many of the vendors sold out their inventories.

Thierry Tournache of Golden Waffle was surprised by the number of people who showed up. His food truck enjoyed a consistent line for much of the first day.

Denny Ray Miller of San Francisco, owner of King Vintage clothing, said the island has been "an opportunity waiting to be fulfilled."

"I'm just glad to have a place to sell that's such a great location," Miller said of the view of San Francisco. "It's a reminder of what a beautiful place we live in."

Treasure Island resident Joanna Luddington, who had advocated bringing the market to the island, was pleased by the turnout, adding that the market will probably be even more successful as the weather improves.

Ansanelli said the market will only grow from here.

"It's going to be getting bigger every time," she said. "It'll never be the same twice."

Treasure island flea

9 a.m.-4 p.m. the last weekend each month, Avenue of the Palms, Treasure Island. The next will be June 25-26. $3 entrance fee; free for children 12 and younger. ATMs on site. Free parking. Public transportation via 108-Treasure Island Muni. (415) 898-0245. www.treasureislandflea.com.

E-mail comments to home@sfchronicle.com.

http://sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/06/05/HOCO1JNK9C.DTL

This article appeared on page **C - 1** of the San Francisco Chronicle

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TREASURE ISLAND SAILING CENTER

2010 ANNUAL REPORT

OUR MISSION

Since 1999, Treasure Island Sailing Center (TISC) has introduced over 9,000 participants to the joy of sailing. Our mission is to provide facilities and instruction in sailing for people of all skill levels, physical and mental abilities, ethnicities and socioeconomic backgrounds. TISC is a large scale, year round sailing school on the San Francisco Bay that does not have membership requirements and emphasizes full community involvement by offering unlimited scholarships to those in financial need.

Our dedication to serving low-income children is what sets TISC apart from other sailing institutions in the Bay Area. Our Youth Sailing Program provides the opportunity for children to participate in a positive, skill building experience where they learn important life skills of safety, responsibility, respect, communication, teamwork, leadership and environmental awareness. Our innovative curriculum teaches goal setting and systematic approaches to achieving success, which children apply to other parts of their lives.

LETTER FROM THE BOARD OF DIRECTORS

2010 was a monumental year for the Treasure Island Sailing Center and I believe a pivotal point that we will look back on for years to come. It was the year we, as an organization, became stronger and gained critical momentum. Under the leadership of Michelle Tennant who came to us in 2009 with incredible experience in the corporate world of retail, our non-profit is running with the efficiency and operational detail of a successful for profit business. Her impact has made dramatic differences in how we plan and implement our services.

Additionally, Michelle led a team of incredibly dedicated and hard-working individuals to grow and be their best. Lacey Todd, our Operations Director, has taken on additional responsibility as primary liaison for fundraising through grants and events, and is showing her natural ability and passion in engaging others in support of our mission. Kevin Berry, who has been with TISC as an instructor, then a head instructor, is now leading our Sailing Programs with the passion and attention to detail that is so important for serving the kids in our community. He has revamped lesson plans, instructor training materials, class schedules and is now taking his passion out in the community by attending various events and visiting youth organizations to get them excited about sailing and on the water.

In addition to our full-time team, Michele Rudanko who has been our bookkeeper this past year has been instrumental in aligning our financials to how we run our business. Our financial reporting has never been better. Catherine Lasky has been amazing in donating her time to get the word out — Sailing is for everyone at TISC! Through her efforts, you can now find us on Facebook, Twitter, and various newspapers and magazines. And finally, the voluntary work of Rolf Kaiser has provided TISC with a new website that is easy to navigate, regularly updated, and critical for communicating the numerous events and classes that TISC offers.

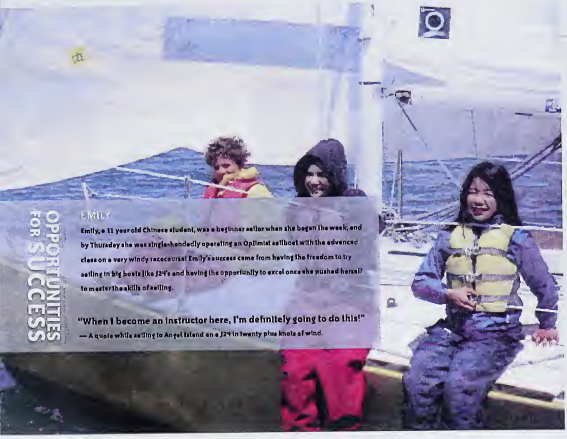
So, on behalf of the Board of Directors, our generous funders, and the numerous children that we serve, THANK YOU to our team. TISC has never had a stronger team with better leadership and teamwork and it is showing.

If you have not seen the changes directly, check out our new website, read our Annual Report, be a friend on Facebook, take a sailing class, rent a sailboat, sail out of TISC, volunteer, sponsor a sailor through a week of summer camp ....I guarantee that you will see the changes firsthand.

Our dream is that one day sailing is mainstream in our community — as normal as playing tennis or basketball on the local courts. Though extremely proud of the approximately 9,000 children and adults who have learned to sail out of TISC, most of whom we provided need based scholarships, we have only scratched the surface. And with this strong team in place, the buzz of the American Cup in San Francisco and the progression of the re-development of Treasure Island, I am certain that our dream will come true. Thank you for your continued support.

Carisa Harris

Carisa Harris Adamson, President, Board of Directors



OPPORTUNITIES FOR SUCCESS

EMILY

Emily, a 11 year old Chinese student, was a beginner sailor when she began the week, and by Thursday she was single-handedly operating an Optimist sailboat with the advanced class on a very windy racecourse! Emily's success came from having the freedom to try sailing in big boats like J24's and having the opportunity to excel once she pushed herself to master the skills of sailing.

"When I become an instructor here, I'm definitely going to do this!"

— A quote while sailing to Angel Island on a J24 in twenty plus knots of wind.

"I am most proud of myself today because I was brave enough to get on the boat."

— Shawnte, Girls Inc. participant

2010 PROGRAM IMPACT

TISC is proud to have provided over 9,373 hours of instruction to 990 participants, with a 30% return/repeat rate to ensure that our students are connecting to the sport of sailing and participating in our positive sailing community.

In our Youth Program, we had over 482 children enrolled in our Summer Camp sessions and over 42% of our students returned for multiple classes. This was an important milestone for us as we strive to increase the number of children who participate in our programs on a more regular basis.

Staying true to our mission, we provided 63% of our youth participants with scholarships to attend our programs. In 2011 we will continue to grow scholarship offerings close to 75% through providing over 1000 youth with our intermediate and advanced classes, racing opportunities and a "junior instructor" curriculum to encourage our young sailors to develop their leadership and sailing skills.

At TISC, we never turn a child away and our doors are open to anyone who has the desire to learn and grow through sailing. We provide full scholarships to those on government assistance or with a household income of $25,000 or less and partial scholarship (50% off tuition) to those with a combined household income of $65,000 or less.

In our ongoing effort to make sailing lessons available to more youth in our community, we continue to maintain and build strong partnerships with many youth organizations throughout the San Francisco Bay Area to expand our reach of services. TISC offers free sailing courses to organizations who serve underprivileged youth and was able to serve 508 youth through collaboration with many community programs including:

A Home Away from Homelessness
Aspen Community School
Boys and Girls Club of SF — Sunnydale
Boys and Girls Club of SF — Treasure Island
Chinese Progressive Associatien
City of Richmond Department of Recreation
Eureka Teen Achievement Program — Girls Incorporated of Alameda
Freemont Newark YMCA
Glide
Life Learning Academy
Mission Beacon Center
Richmond District YMCA
Richmond Village Beacon
Springstone Community School

We have also created more community events to provide recreation opportunities for families and to promote involvement in our sailing and water sports programs. In 2010 TISC hosted free sailing events for Opening Day, National Safe Boating Week, and Lights on Afterschool with over 800 people in attendance. Our goal is to create awareness for community sailing and other water sports by offering families a day of fun, free recreation and the opportunity to connect with the sailing community. In 2011, we project that we will serve up to 1000 members of the community through our events.

FINANCIAL SUMMARY

2010 was an important year for TISC as we focused on maximizing the efficiency of our operations, managing cost and acquiring new equipment to build the infrastructure to grow our programs in 2011. Our 2010 operating budget was $275,000 with 70% of all revenue being reinvested in programs.

REVENUE

- Programs and Facility = $170,063
- Government and Foundation Grants = $122,382
- Individual Donors = $27,091
- Special Events = $98,147
- In-kind = $10,060

EXPENSES

- Programs = $294,551
- Facility = $33,735
- Fundraising = $14,331
- Administrative = $32,819

"TISC has changed the lives of our children for the better by showing them a world they would never be able to see."
— Paul Chalvers, *Glide Program Coordinator*

FAIRY

Fairy, a seven year old Asian-American student, came to TISC on scholarship with the youth group GLIDE. When Fairy began the program she gave the impression that she could conquer anything without the help of others. However, once presented with the challenge of our weekly capsize drill, Fairy froze up. Unable to complete the drill on her first attempt, she became very discouraged and gave up. The instructors talked her through her fear and rebuilt her confidence by reassuring her that she could accomplish her goal with the support of her classmates. Fairy became calm and more confident in her capabilities to complete the drill. The instructors and her friends voiced words of encouragement from the beach, restoring her confident personality. Fairy accomplished her goal by swimming out to the boat, getting in, capsizing it, righting it and swimming back to the beach with a huge smile on her face.

THANK YOU TO OUR GENEROUS DONORS IN 2010

TISC greatly appreciates the support of our donors. We wouldn't be able to provide this amazing service without your contributions. We look forward to partnering with you in 2011.

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Sidney Stern Memorial Trust
St. Francis Yacht Club Foundation
Stanley Langendorf Foundation
Synergy Corporate Housing
Victoria Cummock
West Marine

WISH LIST

Many people support TISC through donating items and receiving a tax deduction. Below are some things we need to make our programs and facility even better:

- Sailboats: J24's, F7's, and Optis
- Sailboat parts and sails
- Motorboats
- Laser printer
- Multi-function laser color printer
- Wood, screws, and paint
- Plastic or cardboard storage boxes
- Weed eater

If you can help with any of these items or if you have any other useful items, please contact us at 415.421.2225 or email at info@tisailing.org.

"Each day my son Sam comes home thrilled with what he has accomplished, and I have seen remarkable growth in his self confidence. The skills, responsibility, and self assurance that he gains at the camp spread into his daily routine as he cleans up, helps other children in the neighborhood and clearly feels pride in his work. The sense of independence, mastering sailing skills and being in the heart of the beautiful Bay seem to be just what adolescents need. Sam is receiving a scholarship from you and I cannot thank you enough for giving him this wonderful opportunity. I look forward to seeing him every day to hear what happened at TISC."

— Molly Hill, mother of Sam, a Hispanic/Caucasian 13 year-old FJ sailor from Oakland

OVERCOMING CHALLENGES

PHILLIPE

Phillipe, a 10 year-old student originally from Europe, was stuck sailing directly into the wind and his boat stalled. Although frightened, he remained calm and focused on overcoming this obstacle. With a quick move he pushed the boom out, threw the tiller over and managed to get the boat moving with wind in his sails. At last, after reaching his destination, Phillipe smiled and said, "I did it, I sailed upwind, did you see it?" Phillipe managed to keep his cool and apply his training to overcome the challenge presented to him.

2011 PROGRAMS

In 2011, we plan to serve more than 1,000 children in our Youth Sailing Program, 250 Adults and 125 physically or developmentally disabled sailors through our Adaptive Sailing Courses. Building on our successes from 2010, we have expanded our Youth, Adaptive and Adult program offerings to provide more opportunities to introduce the community to the exciting world of sailing, windsurfing, paddle boarding, kayaking and family adventures on the water. Additionally, we have placed a strong emphasis on maximizing the number of returning students so we can create lifelong sailors with dedication to the sport.

Our Youth Sailing Program has a wide range of course offerings for beginning and advanced instruction for youth ages 7–18 years. Our primary goal is to teach children important life skills such as self-esteem, teamwork, communication and decision-making through sailing while learning the importance of setting goals and accomplishing them. Our program includes a 1–2 day Orientation to Sailing, weeklong Summer Sailing and Adventure Camps, and 1–2 month long beginner and advanced sailing programs during the school year.

The Adaptive Sailing Program is entering an exciting phase, as we are increasing the scope of students served. In partnership with Marin Sailing School for the Blind, TISC instructors will be trained to accommodate and teach visually impaired sailors beginning in spring. Additionally, our co-able program will bring together disabled and non-disabled sailors to work together in enjoying the character building experience of learning to sail and creating new friendships!

In accordance with our mission to provide access to sailing for all individuals, TISC provides a variety of adult and family sailing lessons. TISC has established a new program to offer Keelboat Clinics to introduce sailors and non-sailors to racing tactics and techniques. Our goal is to give those interested in racing the opportunity to learn in a fun and safe environment. In addition, we have added 24 Bay Excursions allowing families and groups of friends to experience the San Francisco Bay.

TISC offers various programs to all ages and abilities, with the hope of getting as many people connected with the San Francisco Bay. **Here's to a successful 2011!**

"I love coming to TISC every summer. It's just so much fun! In fact, I even told all of my friends about it and convinced them to sign up too!"

— Sam Molero, 13-year-old Hispanic/Caucasian student from Oakland

"I never realized how much fun sailing is. You just have to learn how to do it correctly."

— Rachael Wu, 11 year-old Asian-American student from Belvedere

"The goal is not just for kids to learn how to sail, but for kids to learn how to set goals and achieve them. In addition, the nature of sailing also teaches communication and teamwork skills that kids can use in other areas of their lives."

— Carina Harris-Adamson, Board President of Treasure Island Sailing Center Foundation

"Girls Incorporated of Alameda County greatly appreciated the opportunity that TISC provided for our girls. Without the scholarships they provide, we would not have been able to take our participants on a positive risk-taking field trip, which is a key part of our summer program and an experience the girls would not be able to have otherwise. Sailing helped our girls overcome fears, gain confidence, and have fun bonding with each other. Thank you for helping us make our teens Strong, Smart, and Bold!"

— Jenny Hoyer, Eureka Internship Coordinator, Girls Incorporated of Alameda County

"Watching my son while having fun and doing so much learning has been a motivation for me to get into this too. It is a great activity that my son and I can do together. The Bay Area and the Treasure Island Sailing Camp is a great place to do this."

— Leonardo Prado, Father of Antonio; age 8, African American/Hispanic

"I never thought I would ever go sailing on the San Francisco Bay! It was really fun and I will always remember how I got splashed a lot of times."

— Lisset, Girls Inc. participant

2011 Goals

Each year TISC undergoes an in-depth evaluation process to identify areas for improvement. In 2011 TISC will advance our organization by striving to accomplish the following objectives:

- Building more partnerships with Youth and Adaptive organizations in the community to increase our community outreach
- Enhancing our programs to increase skill retention, return participation and future employment and recreational opportunities for our sailors
- Providing more water based recreation opportunities for families and friends of all age groups
- Continuing cost management efforts and maximize revenue potential through our facility, program participation and fundraising efforts
- Communicating the long-term development vision of TISC to all important stakeholders, including TICD, leaders and citizens of San Francisco and potential funders

GRAPHIC DESIGN BY DOUGH MEEZER

ABOUT TREASURE ISLAND SAILING CENTER

Treasure Island Sailing Center is a non-profit 501(c)(3) organization operated by volunteers and dedicated staff members as a multi-use community sailing center. TISC provides facilities and instruction in sailing and boating safety for people of all skill levels, physical and mental abilities, ethnicities and socioeconomic backgrounds. TISC was founded in 1999 and provides sailing lessons — from beginning instruction to advanced level racing — to more than 1,000 children and teenagers each year through its Youth Sailing and Adaptive Sailing Programs. The Adaptive Sailing Program offers a range of introductory through racing classes for children and adults with physical or developmental disabilities.

TREASURE ISLAND SAILING CENTER

698 California Avenue

Building #112

San Francisco, CA 94130

415.421.2225

www.tisailing.org

Find us on the following social media sites:

NAVAL STATION TREASURE ISLAND
ENVIRONMENTAL RESTORATION ADVISORY BOARD MEETING
Tuesday, 21 June 2011
7:00 PM.
Casa de la Vista Building 271
Treasure Island
MEETING NO. 154

6:00 – 7:00	**Optional Site Tour** (Meet at Casa de la Vista)
7:00 – 7:05	**Welcome Remarks and Introductions** Lead: James Sullivan, Navy Co-Chair
7:05 – 7:10	**Public Comment and Announcements** Lead: James Sullivan, Navy Co-Chair
7:10 – 7:15	**Treasure Island/Yerba Buena Island Property Transfer Update** Lead: James Sullivan, Navy Co-Chair
7:15 – 7:30	**Field Activities and Access Update** Lead: Pete Bourgeois, Shaw E & I
7:30 – 8:00	**Site 12 Draft Remedial Investigation (RI) Report Results** Lead: Anthony Konzen, Remedial Project Manager and Shirley Fu, Tetra Tech EMI
8:00 – 8:10	**Site 27 Clipper Cove Skeet Range Proposed Plan/Draft RAP** Lead: David Clark, Lead Remedial Project Manager
8:10 – 8:20	**Upcoming Documents and Field Schedule** Lead: Jessica Beck, Tetra Tech EMI
8:20 – 8:25	**RAB Meeting Minutes** Lead: James Sullivan, Navy Co-Chair
8:25 – 8:30	**Co-Chair Announcements** Lead: Alice Pilram, Community Co-Chair
8:30 – 8:35	**BRAC Cleanup Team Update** Lead: James Sullivan, Navy Co-Chair
8:35 – 8:40	**Other Public Comment and Announcements** Lead: James Sullivan, Navy Co-Chair
8:40 – 8:45	**Future Meeting Agenda Items** Lead: Navy and Community Co-Chairs - August pre-meeting Site Tour

8:45 **Closing Remarks/End of Meeting**
Break/Informal Discussion for 30 minutes after the meeting
This is an opportunity to informally discuss issues

Next Regular Meetings: No July 2011 Meeting

7:00 pm Tuesday, 16 August 2011
Casa de la Vista, Treasure Island

No September 2011 Meeting

7:00 pm Tuesday, 18 October 2011
Casa de la Vista, Treasure Island

Next Treasure Island Citizen's Advisory Board (CAB): See the web site for latest dates and times for future meetings: http://www.sfgov.org/treasureisland

Next Interim RAB Community Member Conference Call: **(Last Tuesday of pre-RAB month)**

Tuesday, 26 July 2011, 7:00 pm.
Call-In Number: 1- 866-822-0121
Participant Code: 1122026

(Note: This same number will be used for future conference calls)

Next BCT/RPM/Project Team Meeting: 10:00 am. **Wednesday** 6 July 2011, Tetra Tech EMI, **Oakland**

Navy BRAC Web Site: http://www.bracpmo.navy.mil (click on map for Treasure Island)

Navy San Diego Office Address:
JAMES B. SULLIVAN
DEPARTMENT OF THE NAVY
BASE REALIGNMENT AND CLOSURE
PROGRAM MANAGEMENT OFFICE WEST
1455 FRAZEE ROAD, SUITE 900
SAN DIEGO, CA 92108-4310

AGENDA ITEM 6B
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with the Boys & Girls Clubs of San Francisco for the Period from July 1, 2011 to June 30, 2012, in an amount not to exceed $133,000

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

The Boys & Girls Clubs of San Francisco ("BGCSF") is a California nonprofit corporation. The mission of BGCSF is to inspire and enable all young people, especially those from disadvantaged circumstances, to realize their full potential as productive, responsible and caring citizens. BGCSF has operated a Club at the Treasure Island Elementary School since the summer of 2000. BGCSF reports that there are approximately 350 school-aged children and teens on Treasure Island and the club serves over 300 kids annually. The average daily attendance is between 55 and 70.

BGCSF provides after-school and summer activities for school-aged youth on Treasure Island. With the closing of the Treasure Island elementary school in December of 2006, BGCSF and the Treasure Island Development Authority (the "Authority") agreed that it was essential that BGCSF remain and serve as a source of stability for the Island's young people.

The Treasure Island Club is open from 3pm to 7pm Monday through Friday during the school year, 10am to 6pm in the summer and during holiday breaks, and Saturdays once a month from 12:30pm to 5pm. The facility has four full-time and two part-time staff members and two paid tutors. Programming focuses on life-skills and staff is trained to help children understand healthy choices as they explore new activities and find areas of interest. Virtues of caring, responsibility, respect, kindness, acceptance, commitment, service, and honesty are expected of all youth club members. Core program areas offer youth a wide range of activities and services to support their lives. Program areas include daily homework completion and academic tutoring; literacy, math and science enhancement programs; financial literacy; community service and leadership clubs; sports instruction; inter-city sports leagues; nontraditional fitness activities; fine arts and crafts; age and gender specific health and life skills programs; social recreation and games; and technology.

In recognition of BGCSF's critical role in development of youth on the Island and their substantial contribution to the Treasure Island Community, in FY 2007-2008 the Authority entered into a $100,000 Professional Services Agreement with BGCSF to provide youth oriented services to the Treasure Island community. The Authority also provided a grant of $80,000 from the Community Benefits Funds to BGCSF for an Education Initiative and for Behavioral Health

Services for Treasure Island youth. Both programs provided community-wide benefits to Treasure Island.

In FY 2008-2009 and FY 2009-10 funding of $140,000 was provided to the Boys and Girls Club to support their ongoing contributions to the community and to maintain programs including Behavioral Health Services on Treasure Island. In FY 2010-2011, the Authority continued its support for the Boys and Girls Club by funding $133,000 for its services to the Treasure Island Community.

The 2011-2012 Professional Services Agreement (the "Agreement") between the Authority and BGCSF will allow BGCSF to continue its role of inspiring youth to realize their full potential as productive, responsible and caring citizens, while continuing to serve as a source of stability for the Island's young people. The Authority will fund BGCSF an amount not to exceed $133,000 for providing the services described in the Agreement from July 1, 2011 through June 30, 2012.

BUDGET IMPACT

The Professional Services Agreement with the Boys & Girls Clubs provides the same level of funding as last fiscal year 2010-2011.

RECOMMENDATION

Staff recommends approval of the Professional Services Agreement between the Treasure Island Development Authority and the Boys & Girls Clubs of San Francisco for a not to exceed amount of $133,000.

EXHIBITS

Exhibit A. Professional Services Agreement between the Treasure Island Development Authority and the Boys & Girls Clubs of San Francisco

Exhibit B. Boys & Girls Clubs of San Francisco 2010-2011 Treasure Island Accomplishments

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

EXHIBIT A

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

Boys & Girls Clubs of San Francisco

This Agreement is made this 1ST day of July, 2011, in the City and County of San Francisco, State of California, by and between: the Boys & Girls Clubs of San Francisco, hereinafter referred to as Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority's purchasing policy and procedures authorize non-competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, Under an arrangement with TIHDI, the Boys & Girls Clubs of San Francisco ("BGCSF") operated a Treasure Island Clubhouse to provide after-school and summer activities for school-aged youth on Treasure Island in furtherance of the Homeless Assistance Agreement ("the "BGCSF Services"); and,

WHEREAS, In 2007, TIHDI, BGCSF and the Authority agreed that the Authority and BGCSF should contract directly for the BGCSF Services; and,

WHEREAS, At its June 9, 2010 meeting, the Authority's Board of Directors approved a Professional Services Agreement with BGCSF for the BGCSF Services for the period from July 1, 2010 through June 30, 2011; and,

WHEREAS, the Authority wishes to have BGCSF continue to provide the BGCSF Services by entering into a new Professional Services Agreement (the "Agreement") under which BGCSF will perform the BGCSF Services as more particularly described in the Agreement for the period from July 1, 2011 through June 30, 2012, in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, the Contractor provides afterschool and summer activities for school aged youth and the Authority wishes to have such services provided on Treasure Island; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2011 to June 30, 2012. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the tenth day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the final day of the immediately preceding month. In no event shall the amount of this Agreement exceed One Hundred and Thirty Three Thousand Dollars and no cents ($133,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold

payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City and/or the Authority for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City and/or the Authority for a civil penalty of up to $10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City or the Authority if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City or the Authority a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City or the Authority; (c) conspires to defraud the City or the Authority by getting a false claim allowed or paid by the City; or the Authority; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City or the Authority; or (e) is a beneficiary of an inadvertent submission of a false claim to the City or the Authority, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City or Authority within a reasonable time after discovery of the false claim.

9. Disallowance - Left blank by agreement of the parties.

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's

request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total

expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Authority and the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to Authority of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the Authority address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in

such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to Authority certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Authority, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of **Five Hundred Dollars ($500)** per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

8. Submitting false claims
10. Taxes
15. Insurance
24. Proprietary or confidential information of City
30. Assignment
37. Drug-free workplace policy,
53. Compliance with laws
55. Supervision of minors
57. Protection of private information
58. Graffiti removal

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy,

insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority on demand all costs and expenses incurred by Authority in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and Contractor all damages, losses, costs or expenses incurred by Authority as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall

have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's

estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting false claims
9. Disallowance
10. Taxes
11. Payment does not imply acceptance of work
13. Responsibility for equipment
14. Independent Contractor; Payment of Taxes and Other Expenses
15. Insurance
16. Indemnification
17. Incidental and Consequential Damages
18. Liability of City
24. Proprietary or confidential information of City
26. Ownership of Results
27. Works for Hire
28. Audit and Inspection of Records
48. Modification of Agreement.
49. Administrative Remedy for Agreement Interpretation.
50. Agreement Made in California; Venue
51. Construction
52. Entire Agreement
56. Severability
57. Protection of private information

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Authority if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0660

To Contractor:

Boys & Girls Clubs of San Francisco
55 Hawthorne Street, Suite 600
San Francisco, CA. 94105
Attn: Maxine L. Wilson, Vice President of Operations
Phone: (415) 445-5433
Email: maxinewilson@kidsclub.org

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law,

Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle Authority, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or $1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City or the Authority.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters.

Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City and Authority premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that

person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least $250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, the board of a state agency on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide Authority the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The

minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. Authority is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City or Authority with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than $75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that

the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products

on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Supervision of Minors - Left blank by agreement of the parties.

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Authority because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure - Left blank by agreement of the parties.

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	CONTRACTOR
By: _____ **Mirian Saez, Director of Island Operations Treasure Island** Approved as to Form: Dennis J. Herrera City Attorney By: _____ Deputy City Attorney	BOYS & GIRLS CLUBS OF SAN FRANCISCO, a California nonprofit corporation By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. _____ **Rob Connolly, President & CPO, Boys & Girls Clubs of San Francisco** City vendor number: **51465**

Appendices

A: Services to be provided by Contractor
B: Calculation of Charges

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Appendix A
Services to be provided by Contractor

1. Description of Services

Core Program areas offer youth a wide range of activities and services to support their lives: daily homework completion and academic tutoring; literacy, math and science enhancement programs; financial literacy; community service and leadership clubs; sports instruction; inter-city sports leagues; nontraditional fitness activities; fine arts and crafts; age and gender specific health and life skills programs; social recreation and games; and technology. Much programming is around life-skills and staff consistently helps members understand healthy choices as they explore new activities, find areas of interest, set and reach individual goals. Virtues of caring, responsibility, respect, kindness, acceptance, commitment, service, honesty are expected of all youth and are evident everywhere in the Clubs.

A significant number of Club members struggle with multiple risk factors and need more assistance than our basic programming can provide. Behavioral Health Services has been piloted at two Clubs for three years. We will provide at least one part-time post-Masters Behavioral Health Specialist to serve children and youth at our Treasure Island Club.

Specific Services at the Treasure Island Boys & Girls Club are:

1) Daily educational support services.
2) Daily fitness, health and life skills activities.
3) Offer site-based youth development education support at Marina Middle School and Flynn Schools (two schools where many of our Treasure Island members are bused).
4) Honoring our members in education accomplishments with mid-year and end-of-year ceremonies.
5) Provide tutors to work with youth twice a week each semester; this will take place in nine-week sessions; over the course of the year. Our young people will participate in 9-week tutoring sessions with an emphasis on increasing reading and literacy levels.
6) Provide part-time Behavioral Health Specialist position to address youth facing multiple risk factors.
7) Education Coordinator and tutors will provide high end summer educational programs. Encourage participation in, our small group program that promotes resiliency and healthy decision-making.
8) Offer basketball clinics at the TI Gym.
9) Provide hands-on nutrition instruction for young people.
10) Offer Career Launch, a career and college exploration curriculum.
11) Send Treasure Island members to our residential summer camp, Camp Mendocino.
12) Provide an environmental education program. The summer environmental program will end with an Environmental Education Party at Ocean Beach with a beach clean-up and picnic.
13) Partner with the Treasure Island Sailing Center to provide Sailing Camp for Treasure Island members in summer months, culminating in Sailing Fun Days on Tuesdays.
14) Offer the Learn to Swim program at our Ernest Ingold Clubhouse located in the Western Addition, culminating in a swim party.
15) Hold an Insect Discovery Lab at the TI Community Center.
16) Our Teen Director will facilitate the Teen's Keystone Club, our teen leadership club that works on Community Service Projects and Fundraising Projects to attend regional and national conferences as well as Career Launch, a career exploration and job readiness program, and College Prep Workshops.

2. Reports

Contractor shall submit written reports on a Quarterly basis to the Treasure Island Development Authority.

Format for the content of such reports shall be determined by the Treasure Island Development Authority. The timely submission of all reports is a necessary and material term and condition of this Agreement.

The reports, including any copies, shall be submitted on recycled paper and printed on double-sided pages to the maximum extent possible.

3. Department Liaison

In performing the services provided for in this Agreement, Contractor's liaison with the Treasure Island Development Authority will be Director of Island Operations.

Appendix B
Calculation of Charges

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 5 of this Agreement as the Director of Island Operations, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed One Hundred and Thirty Three Thousand Dollars ($133,000).

	Projected for 2010-2011	TIDA Funding
Salaries		
Clubhouse Director	56,760	6,000
Program Manager	43,344	12,000
Health & Fitness Coordinator (PT)	22,400	10,000
Education Director	41,280	26,500
Teen Services Director	39,218	12,000
Social Recreation Coordinator (PT)	21,000	14,000
Teen Staff	2,106	0
Behavioral Health Specialist (50%)	24,250	12,000
Custodian (PT)	12,336	0
Tutors (2)	15,225	10,000
Total Salaries	**277,919**	**102,500**
Taxes/Benefits (26%)	**71,313**	25,500
Total Personnel	**349,232**	**128,000**
Other Expenses	**51,744**	**0**
Indirect Costs	**118,000**	**5,000**
TOTAL Expenses	**518,976**	**133,000**

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Boys & Girls Clubs of San Francisco
Treasure Island Clubhouse
2010-2011 Treasure Island Accomplishments

EXHIBIT B

With an allocation of $133,000 provided by TIDA, we were able to accomplish the following:

Our daily education support services included Power Hour, with over 200 Club kids participating. We were very happy that faculty from Flynn Elementary came to the Clubhouse twice a month to help with Power Hour. We were also able to provide tutoring assistance to 74 of our youth this school year. We just concluded our academic case management program, Achievement Matters Program, and several of our youth received awards for good character and community engagement as well as their increased engagement in school. In addition to our usual programs, Think Tank, our literacy tutoring program; Kidzlit and Kidzmath, we ran Science Explorers, Blogging and Art History.

Daily fitness and health and life skills activities were provided through a variety of individuals including our Citywide Health and Fitness Director, and our Athletic Coordinator. As we are the only structured school aged program on the Island it is important to address and incorporate healthy lifestyle choices in our program. We tried new innovative physical fitness programming as well as teaching our youth important tools to be successful. Activities conducted included Instant Recess, HYPE (Healthy Youth Promoting Exercise), as well as various other activities such as Cavity Free Zone, Rethink Your Drink, Soda Free Summer, Hip Hop and Break Dancing, Learn to Swim, Sailing, Jr. Giants, Basketball, Football and Gaelic Football leagues, volleyball programs and other gym activities. Our TI members were the first African American children to participate in the International Gaelic Football Association Competition held here on Treasure Island last summer. Over 3,000 youth competed in this tournament. Because of the collaboration with the GFA, our children were exposed to this amazing cultural event. In addition, we ran a bike program last year. Our Torch Club continued to promote "green" practices in the Clubhouse. We ran our composting program and are developing other green practices.

Our site-based youth development education support at Marina Middle School and Flynn Elementary School included literacy games, math games, basic skill exercises/games. At Flynn our Education Director attended twice a week to offer programs such as Kidzlit, Book Club, Science Explorers. At Marina Middle School our Teen Director worked with the principal to develop an MOU to run a Torch Club on campus. Principals were invited to parent meetings and our Youth of the Year Celebration, and the principal of Flynn attended. We had another Youth of the Year candidate who participated in our Citywide Youth of the Year Program.

We held mid-year and end-of the year ceremonies for our Achievement Matters participants as well as mini-camps (where we recognized our participants) throughout the year for Think Tank and a graduation ceremony for Think Tank. In addition, we added a Citywide Achievement Matters and Graduation ceremony for all of our 9 Clubhouses. This provided an additional opportunity for our kids to be recognized for their accomplishments.

Through tutoring, we provided academic support to youth three times a week/three groups per day. Through volunteers and creative staffing, we were able to offer three separate 9-week tutoring sessions with an emphasis on increasing reading and literacy levels. Approximately 74 students participated in these programs.

Our part-time Behavioral Health Specialist (BHS) is a MSW. He supports the Clubhouse Director with school visits and various behavioral issues at the clubhouse. This year our BHS was able to participate in some of our member's IEP meetings. He has helped us work with our youth to address multiple risk factors. In turn, this has had a positive impact on our youth and their families, the clubhouse and the community.

We ran an evidence based program, "WhyTry" that promotes resiliency and healthy decision-making. The groups are run in a small group setting and are co-facilitated by our Teen Director and Behavioral Health Specialist.

Our Athletics Coordinator offered basketball clinics, baseball clinics and fun playtime at the TI Gym The collaboration between the TI Clubhouse and YMCA allowed us to participate in community wide events and holiday celebration such as Easter Egg Hunt, Latino Heritage celebration and Halloween celebration. We will run programming at the gym three times a week this summer.

We provided hands-on nutrition instruction for our youth through formal nutrition programs run twice a year by our Club staff as well as informal nutrition programs such as a healthy cooking class once a week. The Good Food Garden, which we began last year, has provided a hands-on learning experience for our members in the area of organic gardening. The herbs and vegetables harvested from the garden were used in the healthy cooking class.

We sent more than 42 of our members to our residential summer camp, Camp Mendocino. A few of our youth were also able to work at Camp Mendocino in our Leaders in Training Program. These youth spent the entire summer at Camp Mendocino learning a variety of new skills and winning awards for their accomplishments.

We provided an environmental education program called Enviromaniacs. This program included a citywide environmental education celebration on TI. The youth were involved in a TI beach visit/clean-up. At this activity the youth received food, awards and recognition for their participation. One of their activities included creating environmental superheroes and creating comic books about these superheroes.

We partnered with the TI Sailing Center to provide Sailing Camp for 15TI members in summer months culminating with Sailing Fun Days on Tuesdays during the summer. In addition, several members participated during the school year.

Twenty of our members participated in the Learn to Swim program at our EI Clubhouse located in the Western Addition culminating in a swim party.

Our full-time Teen Director worked collaboratively with our Education Director to facilitate the Teens Keystone Club. They completed their National Project ahead of schedule where the focus was to help people affected by war. The youth chose to raise money to support the child soldiers of Uganda through the organization MTAALA foundation. In addition, two of our teens attended the National Keystone Conference in Orlando, Florida. Other teen programs offered included: Career Launch, a career and college exploration curriculum through our Make It Happen program as well as our Education, Career

and Achievement Program, Money Matters and formal mentorship. We also offered Career Development workshops. Our teens were offered three career exposure field trips where they visited United Airlines, Old Navy and YouTube. Finally, through the Mayor's Employment and Education Program (MYEEP) collaboration, we were able to employee 18 teens throughout the year.

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FILE NO. _____ RESOLUTION NO

[Boys & Girls Clubs of San Francisco Professional Services Agreement]

Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with the Boys & Girls Clubs of San Francisco for the Period from July 1, 2011 to June 30, 2012.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, In 1995, the General Services Administration and the Bureau of Land Management determined that Yerba Buena Island was surplus to the Federal Government's needs and could be transferred to the administrative jurisdiction of the Department of Defense under the Base Closure and Realignment Act of 1990 and disposed of together with Treasure Island; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base

upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The City and County of San Francisco negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"), a consortium of nonprofit corporations organized to utilize the resources of former naval base Treasure Island available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's purchasing policy and procedures authorize non-competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, Under an arrangement with TIHDI, the Boys & Girls Clubs of San Francisco ("BGCSF") operated a Treasure Island Clubhouse to provide after-school and summer activities for school-aged youth on Treasure Island in furtherance of the Homeless Assistance Agreement ("the "BGCSF Services"); and,

WHEREAS, In 2007, TIHDI, BGCSF and the Authority agreed that the Authority and BGCSF should contract directly for the BGCSF Services; and,

WHEREAS, At its June 9, 2010 meeting, the Authority's Board of Directors approved a Professional Services Agreement with BGCSF for the BGCSF Services for the period from July 1, 2010 through June 30, 2011; and,

WHEREAS, The Authority wishes to have BGCSF continue to provide the BGCSF Services by entering into a new Professional Services Agreement (the "Agreement") under which BGCSF will perform the BGCSF Services as more particularly described in the Agreement for the period from July 1, 2011 through June 30, 2012, in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, BGCSF represents and warrants that it is qualified to perform the services required by the Authority as set forth under the Agreement; and,

WHEREAS, The Authority has negotiated with BGCSF to reach agreement on the scope of work, and budget for the BGCSF Services shown in the Agreement; Now, Therefore Be It

RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations to execute the Agreement, effective July 1, 2011, with BGCSF for an amount not to exceed One Hundred and Thirty Three Thousand Dollars ($133,000), in substantially the form of the Agreement attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6C
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with the Treasure Island Homeless Development Initiative for the period from July 1, 2011 to June 30, 2012 in an amount not to exceed $157,000

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

The Treasure Island Homeless Development Initiative ("TIHDI") is a consortium of nonprofit organizations that provide services to homeless and other economically disadvantaged San Francisco residents. TIHDI was organized to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994.

The proposed Professional Services Agreement (the "Agreement") between the Treasure Island Development Authority (the "Authority") and TIHDI continues TIHDI's role in (i) the coordination and facilitation of community-based homeless service organizations in Treasure Island community activities; (ii) participation in the development process to support development plans which implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island (the "TIHDI Agreement"); (iii) development of housing units allocated to TIHDI under the TIHDI Agreement; and (iv) operation of a job broker system and economic self-sufficiency programs for Island residents.

TIHDI and the Authority have negotiated a budget of $157,000 to support TIHDI's mission and to provide services to the Treasure Island community for the upcoming 2011-2012 Fiscal Year. Funds to support the Agreement will come from the revenues generated by leasing Treasure Island facilities.

BUDGET IMPACT

The Professional Services Agreement with TIHDI provides the same level of funding as last fiscal year 2010-2011.

RECOMMENDATION

Project staff recommends approval of the Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative for an amount not to exceed $157,000. TIHDI continues to expand its offerings and to provide important services to the Treasure Island community. These services include: supporting economic self-sufficiency, operating a community center, providing a weekly food pantry, and operating a job broker system. A summary of TIHDI's goals and accomplishments in FY 2010-2011 is attached as Exhibit B.

EXHIBITS

Exhibit A: Professional Services Agreement between the Treasure Island Development Authority and the Treasure Island Homeless Development Initiative.

Exhibit B: Summary of TIHDI's accomplishments in FY 2010-2011.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

EXHIBIT A

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE

This Agreement is made this 1ST day of July, 2011, in the City and County of San Francisco, State of California, by and between: the Treasure Island Homeless Development Initiative, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and Contractor including any TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan; and,

WHEREAS, Contractor provides services on Treasure Island including (i) the coordination and facilitation of community-based homeless service organizations in Treasure Island community activities; (ii) participation in the development process to support development plans which implement the Homeless Assistance Agreement; and (iii) operation of a job broker system and economic self-sufficiency programs for Island residents; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2011 to June 30, 2012. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the **Tenth** day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the **Final** day of the immediately preceding month. In no event shall the amount of this Agreement exceed **One Hundred and Fifty Seven Thousand Dollars ($157,000).** The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City and/or the Authority for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City and/or the Authority for a civil penalty of up to $10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City or the Authority if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City or the Authority a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City or the Authority; (c) conspires to defraud the City or the Authority by getting a false claim allowed or paid by the City; or the Authority; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City or the Authority; or (e) is a beneficiary of an inadvertent submission of a false claim to the City or the Authority, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City or Authority within a reasonable time after discovery of the false claim.

9. Left blank by agreement of the parties (Disallowance)

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the

Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to Authority of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Director of Island Operations

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance

is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to Authority certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Authority, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF

THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of Five Hundred Dollars ($500) per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, or 58.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority on demand all costs and expenses incurred by Authority in effecting such cure, with

interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and Contractor all damages, losses, costs or expenses incurred by Authority as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance

for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, and 57.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Authority if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0660

To Contractor: **Treasure Island Homeless Development Initiative**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Sherry Williams, Executive Director
Fax: (415) 834-9134

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software,

reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such

effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle Authority, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or $1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City or the Authority.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters.

Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City and Authority premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that

person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least $250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The

minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than $75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified

economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-

treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties (Supervision of Minors)

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Authority because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties (Slavery Era Disclosure)

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	CONTRACTOR **TREASURE ISLAND HOMELESS DEVELOPMENT INITIATIVE**
By: _____ **Mirian Saez, Director of Island Operations** **Treasure Island** Approved as to Form: Dennis J. Herrera City Attorney By: _____ Deputy City Attorney	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. _____ **Sherry Williams, Executive Director** **One Avenue of the Palms** **Treasure Island** **San Francisco, CA. 94130** City vendor number: **51465**

Appendices

A: Services to be provided by Contractor
B: Calculation of Charges

Appendix A
Services to be Provided by Contractor
Contract Year 2011-2012

Description of Services

TASK ONE

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- **Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island in the current implementation of the TIHDI agreement.**

Specifically:

- **Operate the Job Broker System for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the Treasure Island Development Authority.**
- **Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding facility issues impacting Treasure Island.**
- **Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding hearings involving Treasure Island.**
- **Coordinate participation of members of the Treasure Island Homeless Development Initiative where appropriate.**
- **Operate the "Ship Shape" as a Community Center.**

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- **Coordinate and facilitate the participation and implementation of community-based homeless service organizations in the long term development of Treasure Island.**

Specifically:

- **Participate in the development of the affordable housing component of the proposed development plan as specified in the TIHDI agreement.**
- **Implement community serving and development components, Job Broker and First Source compliance and economic development opportunities as indicated in the TIHDI Agreement and JEOP.**

Appendix B
Calculation of Charges

TIHDI 2011-2012

	Total	
Income		
Contract Income		**TIDA**
Total Contract Income	**157,000**	**157,000**
Foundation Income		
Total Foundation Income	**100,000**	
Corporate Income		
Total Corporate Income	**43,000**	
Donation Income		
Total Donation Income	**52,500**	
Other Income		
Total Other Income	**90,924**	
Total Income	**501,424**	
Personnel		
Total Personnel & Benefits	**310,259**	
NonPersonnel Expenses		
Prof Fees/Contracts		
Total Prof Fees/Contracts	**54,901**	
Program Expenses		
Total Program Expenses	**20,000**	
Operating Expenses		
Total Operating Expenses	**116,264**	
Total Expenses	**501,424**	

Compensation shall be made in monthly payments on or before the last day of each month for work, as set forth in Section 5 of this Agreement as the Director of Island Operations, in her sole discretion, concludes has been performed as of the last day of the immediately preceding month. In no event shall the amount of this Agreement exceed One Hundred and Fifty Seven Thousand Dollars ($157,000).

EXHIBIT B

Report to TIDA
From the Treasure Island Homeless Development Initiative
Contract Year 2011-2012

TIHDI received funding from TIDA to perform the following services. The accomplishments related to these services are as of May 31, 2011.

TASK ONE

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service organizations activities with all public and private agencies operating on former naval base Treasure Island in the current implementation of the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property.

Specifically:

- Operate the Job Broker System for island employers to fulfill hiring objectives outlined in their leases and/or contracts with the Treasure Island Development Authority.

  Through TIHDI's collaboration with Wine Valley Catering and Toolworks over 50 people have been hired since inception. A new round of screenings and hires was recently completed.

  The Broker recruited and referred 49 set up and breakdown workers for the following special events that were held on the Island: Triathalon; TI Music Festival, the Dragon Boat Festival, and the Ki.

  2 workers were placed in full time landscaping positions with Rubicon Programs.

- Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding environmental issues impacting Treasure Island.

  When contacted to provide notice, TIHDI notifies members of environmental issues. TIHDI also notifies members of road closures, planned utilities outages and so on.

- Facilitate dissemination of information to members of the Treasure Island Homeless Development Initiative regarding hearings involving Treasure Island.

  Members are notified of hearings regarding Treasure Island. Members have attended TIDA meetings and BOS when appropriate.

- Coordinate participation of members of the Treasure Island Homeless Development Initiative where appropriate.

  TIHDI members have been encouraged to participate in emergency planning, community and housing provider meetings. TIHDI coordinates the monthly TI Housing Partner meetings.

- Operate the "Ship Shape" as a Community Center.

  TIHDI provides an average of 130 Treasure Island households (representing approximately 400 people, many children) supplemental groceries at the weekly Food Pantry held at the Ship Shape. The Ship Shape also hosts AA/NA support groups, community meetings, special community events, program graduations, and workshops. TIHDI manages scheduling, oversees maintenance, and pays for all expenses such as garbage, utilities and janitorial.

  TIHDI continues to operate a Business Assistance Center in the Ship Shape which provides information to all island residents on banking, money management, credit repair, and asset development. The Center is the hub for the Economic Self Sufficiency Program (ESSP). It is open for drop in services Monday thru Thursday from 9am to 5pm and by appointment. Through the ESSP, TIHDI hosted a free tax aid site where 250 TI residents and workers received assistance with their tax returns. Over 300 island residents & workers have been assisted by this Center this past fiscal year.

Treasure Island Homeless Development Initiative ("Contractor") shall provide all labor, materials, and equipment necessary to:

- Coordinate and facilitate the participation of community-based homeless service organizations and coordinate activities with all public and private agencies operating on former naval base Treasure Island in the development of long term plans to implement the proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property on Treasure Island and Yerba Buena Island.

Specifically:

- Provide consultation on the affordable housing component of the proposed development plan by TICD. This includes review of financing proposals by developer, phasing of housing, and the design and placement of housing.

- Provide input in community serving and development components, Job Broker and First Source compliance and economic development opportunities as indicated in the TIHDI Agreement.

  TIHDI participated and provided significant input into the housing, jobs and equal opportunity plan, and community facilities plan for the development of Treasure Island.

RESOLUTION NO.

[TIHDI Professional Services Agreement]

Resolution authorizing the Director of Island Operations to execute a Professional Services Agreement with the Treasure Island Homeless Development Initiative for the period from July 1, 2011 to June 30, 2012 in an amount not to exceed $157,000.

.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and.

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested the authority to administer the public trust for commerce, navigation and fisheries as to such property in the Authority; and.

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The City and County of San Francisco, as the predecessor Local Reuse Authority for the Base, negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"), a consortium of nonprofit corporations organized to utilize the available resources of the Base to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's purchasing policy and procedures authorize non-competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, The Authority has supported TIHDI pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 by contracting with TIHDI for the performance of services related to (i) the coordination and facilitation of community-based homeless service organizations in Treasure Island community activities; (ii) participation in the development process to support development plans which implement the proposed Homeless Assistance Agreement; (iii) development of housing units allocated to TIHDI under the Homeless Assistance Agreement; and (iv) operation of a job broker system and economic self-sufficiency programs for Island residents (collectively, the "Services"); and,

WHEREAS, The current contract between the Authority and TIHDI for the Services expires June 30, 2011; and,

WHEREAS, The Authority and TIHDI have negotiated a new Professional Services Agreement (the "Agreement") for the continued performance of the Services for the period from July 1, 2011 through June 30, 2012; and,

WHEREAS, TIHDI represents and warrants that it is qualified to perform the Services required by the Authority as set forth under the Agreement; now, therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute the Agreement, effective July 1, 2011, with TIHDI for an amount not to exceed $157,000, in substantially the form of the Agreement attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6D
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Third Amendment to the Professional Services Agreement with the Embarcadero YMCA to Extend the Term on a Month-to-Month Basis through June 30, 2012.

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

On August 8, 2006, the Treasure Island Development Authority (the "Authority") Board of Directors approved a month-to-month Sublease with the Embarcadero YMCA for use of Building 402 as the Treasure Island Gymnasium. On August 8, 2006, the Authority Board also approved a Professional Services Agreement (the "Agreement") with the Embarcadero YMCA for the operation of the Gymnasium and programming of recreation and leisure services at the Gymnasium. The Embarcadero YMCA was selected in accordance with a competitive solicitation process in which the Embarcadero YMCA submitted the only response to a Request for Proposals issued by the Authority.

The month-to-month term of the Agreement expires June 30, 2011. Typically, expiration of the term of a competitively bid Professional Services Agreement would lead Project Staff to solicit competitive proposals for a Gymnasium operator for a new term. However, given that the Base transfer is anticipated sometime in FY 2011-12, Project Staff proposes to extend the current Agreement on a month-to-month basis through June 30, 2012. All terms and conditions will remain unchanged.

BUDGET IMPACT

The amendment provides the same level of funding for the operation of the gym as last fiscal year.

RECOMMENDATION

The Authority Staff recommends that the Authority Board of Directors approve the proposed amendment to the Professional Services Agreement with the YMCA, and authorize the Director of Island Operations or her designee to execute said amendment for the operation of the Treasure Island gym, for a month-to-month term.

EXHIBITS

Exhibit A: Third Amendment to the Professional Services Agreement between the Treasure Island Development Authority and the Embarcadero YMCA, a branch of the YMCA of San Francisco

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

THIS THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (this "Third Amendment"), dated for reference purposes only as of July 1, 2011, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation (the "Authority"), and THE EMBARCADERO YMCA, A BRANCH OF THE YMCA OF SAN FRANCISCO, INC., a California non-profit corporation (the "Contractor").

RECITALS

A. The Authority and the Contractor entered into that certain Professional Services Agreement dated for reference purposes as September 1, 2006 (the "Original Agreement"), for the use of the Gymnasium (Building 402) at 749-9th Street, Treasure Island, San Francisco, California, as more particularly described in the Original Agreement. The term of the Original Agreement expired on August 31, 2009.

B. The Authority and the Contractor entered into a First Amendment to the Original Agreement dated for reference purposes as of July 9, 2009 to extend the Term (the "First Amendment").

C. The Authority and Contractor entered into a Second Amendment to the Original Agreement dated for reference purposes as of July 1, 2010 to extend the term and decrease the monthly fee payable to Contractor, on the terms and conditions set forth in the Second Amendment. The term of the Original Agreement, as amended by the First Amendment and Second Amendment, expires on June 30, 2011. The Original Agreement as amended by the First Amendment, Second Amendment, and this Third Amendment are collectively referred to as the "Agreement". All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Agreement.

D. Authority and Contractor desire to amend the Agreement to extend the term on the terms and conditions set forth in this Third Amendment.

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, the Authority and the Contractor hereby amend the Agreement as follows:

AGREEMENT

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.

2. **Effective Date**. The effective date of this Third Amendment shall be July 1, 2011 (the "Effective Date").

3. **Term**. As of the Effective Date, Section 2 of the Original Agreement shall be amended to read as follows:

"2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be from September 1, 2006 through June 30, 2012; provided, however, either party may terminate this Agreement for any reason upon thirty (30) days prior written notice to the other party.

2c. Submitting False Claims; Monetary Penalties. Section 8 is hereby replaced in its entirety to read as follows:

Submitting False Claims; Monetary Penalties.

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for the statutory penalties set forth in that section. The text of Section 21.35, along with the entire San Francisco Administrative Code is available on the web at http://www.municode.com/Library/clientCodePage.aspx?clientID=4201. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City; (c) conspires to defraud the City by getting a false claim allowed or paid by the City; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City; or (e) is a beneficiary of an inadvertent submission of a false claim to the City, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City within a reasonable time after discovery of the false claim.

2d Requiring Minimum Compensation for Covered Employees. Section 43 is hereby replaced in its entirety to read as follows:

Requiring Minimum Compensation for Covered Employees

a.Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and

Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, City may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the City's consideration for this Agreement. The City in its sole discretion shall determine whether such a breach has occurred. The City and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the City and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than

$25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

2e Requiring Health Benefits for Covered Employees. Section 44 is hereby replaced in its entirety to read as follows:

Requiring Health Benefits for Covered Employees.

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. City shall notify Contractor if such a breach has occurred. If, within 30 days after receiving City's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City may pursue the remedies set forth in this Section against

Contractor based on the Subcontractor's failure to comply, provided that City has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City with access to records pertaining to compliance with HCAO after receiving a written request from City to do so and being provided at least ten business days to respond.

k. Contractor shall allow City to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

City may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City when it conducts such audits.

l. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City to be equal to or greater than $75,000 in the fiscal year.

2f. First Source Hiring Program. Section [insert paragraph number] is hereby replaced in its entirety to read as follows:

First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference. The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein.

Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. **First Source Hiring Agreement.** As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases,
subleases, and other occupancy contracts.

c. **Hiring Decisions.** Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. **Exceptions.** Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. **Liquidated Damages**. Contractor agrees:

(1) To be liable to the City for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the City's consideration for this contract; that the failure of the contractor to

comply with the contract provisions required by this Chapter will cause harm to the City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year; therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

2g. Limitations on Contributions. Section 42 is hereby replaced in its entirety as follows:

Limitations on Contributions. Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

2h. Cooperative Drafting. Section 59 is hereby added to the Agreement, as follows:

Cooperative Drafting. This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

4. Counterparts. This Third Amendment may be executed in counterparts with the same force and effect as if the parties had executed one instrument, and each such counterpart shall constitute an original hereof.

5. Effective Date. Each of the modifications set forth in Section 2 shall be effective on and after July 1, 2011.

6. **Full Force and Effect**. Except as specifically amended herein, the terms and conditions of the Sublease shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority and the Contractor have executed this First Amendment to Agreement at San Francisco, California, as of the date first above written.

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

CONTRACTOR:

THE EMBARCADERO YMCA, A BRANCH OF THE YMCA OF SAN FRANCISCO, INC., a California non-profit corporation

By: _____

Its: Executive Director

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

[Third Amendment to YMCA Professional Services Agreement]

Resolution Authorizing the Director of Island Operations to Execute an Amendment to the Professional Services Agreement with the Embarcadero YMCA to Extend the Term on a Month-to-Month Basis through June 30, 2012.

WHEREAS, On May 2, 1997, the Board of Supervisors (the "Board") passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of former Naval Station Treasure Island (the "Base") for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Authority and the United States of America, acting by and through the Department of the Navy entered into Master Lease (Lease No. N6247499RP42P12), as amended, for use of certain property, including the Gymnasium in Building 402; and,

WHEREAS, The Master Lease enables the Authority to sublease the leasehold premises for interim use; and,

WHEREAS, On September 1, 2009, after a competitive solicitation process, the Authority and the Embarcadero YMCA entered into a Professional Services Agreement (the

"Agreement") whereby the Embarcadero YMCA operates the Gymnasium at Building 402 to provide recreation and leisure programming for the benefit of the residents of Treasure and Yerba Buena Island as well as for residents of the City of San Francisco; and,

WHEREAS, The Authority and the Embarcadero YMCA are also parties to a month to month Sublease for the Gymnasium; and,

WHEREAS, The Agreement is scheduled to expire on June 30, 2011; and,

WHEREAS, Project Staff proposes to extend the Agreement on a month-to-month basis through June 30, 2012; and,

RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations or her designee, to execute and deliver the Third Amendment to the Professional Services Agreement ("Third Amendment"), in substantially the form attached hereto as Exhibit A, to extend the term the Agreement on a month-to-month basis through June 30, 2012; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the First Amendment will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Third Amendment are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Third Amendment that the Director of Island Operations or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Third Amendment, such determination to be conclusively evidenced by

the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEMS 6E
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Retroactively Execute a Special Event Use Permit with Black Rock Arts Foundation for the Treasure Island Great Lawn (Action Item)

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

At it's April 13, 2011 meeting, the Authority Board approved a Use Permit for Temporary Installation and Display of Public Art with the Black Rock Arts Foundation (BRAF), a Nevada Non-Profit Corporation, and Marco Cochrane Sculpture Inc, a California Corporation for the installation and display of Mr. Cochrane's sculpture "Bliss Dance" on a portion of the Treasure Island Great Lawn (Great Lawn). The sculpture was installed in early May 2011 under the terms and conditions of that Use Permit.

As installation project sponsor, BRAF requested permission to hold an opening ceremony event at the Great Lawn commemorating the installation of "Bliss Dance" and showcasing the lighting system of the sculpture during evening time. In consideration of this Event's support of the installation and display of "Bliss Dance", a request was made to Project Office staff for a waiver of standard Special Event Use Permit Fee for the Great Lawn for the Event.

Waiver of Permit Fee for such a Special Event at the Great Lawn is outside standard parameters for Special Event Permitting of the Great Lawn, and requires Authority Board approval. Based on the schedule of sculpture installation and scheduling of the event, approval of this Permit Fee waiver could not be brought before the Authority Board for hearing and consideration until after the date of the Special Event.

BRAF as Permittee entered into the Use Permit document attached to this item as Exhibit A, standard in all other terms and conditions but for waiver of standard fees. BRAF held all appropriate Liability Insurance for the Premises for the event, and also held all appropriate Temporary Event Permits required by the City and County of San Francisco. Held on Thursday May 26th, the event was open to the general public and no admission was charged for the event. A Security Deposit from BRAF for the Premises is already held by the Authority under the above-mentioned Use Permit for Temporary Installation of Public Art.

USE PERMIT TERMS AND CONDITIONS

The salient terms and conditions of the Use Permit include the following:

Premises:	Treasure Island Great Lawn and adjacent parking areas.
Term:	Commencement: May 26, 2011 at 12:00 PM.
	Expiration: May 26, 2011 at 11:00 PM.
Permit Fee:	Waived
Use:	A reception for the "Bliss Dance" installation.
Security Deposit:	Waived

RECOMMENDATION

Staff recommends retroactive approval of the Use Permit with Black Rock Arts Foundation, including Waiver of Permit Fees, for a Special Event on the Treasure Island Great Lawn..

Exhibit A: Special Event Use Permit between TIDA and Black Rock Arts Foundation

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

P-451
USE PERMIT

THIS USE PERMIT (this "Permit") dated for reference only as of May 23, 2011, is made by and between the Treasure Island Development Authority ("Authority") and Black Rock Arts Foundation, a Nevada Non-Profit Association ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Event Venues Naval Station Treasure Island (the "Master Lease"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use that certain property located on Naval Station Treasure Island (the "Property"), as more particularly described in the Master Lease; and

WHEREAS, Permittee seeks to use a portion of the Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	Black Rock Arts Foundation, a Nevada Non-Profit Association
Premises (Section 2):	That certain portion of the Property commonly known as The Treasure Island Great Lawn, and portions of the parking area adjacent thereto, all as more particularly shown on Exhibit B, attached hereto.
Structural Report (Section 5):	None
Permitted Use (Section 6):	A public reception for the "Bliss Dance" installation, and for no other purpose whatsoever
Parking Rights (Section 7):	Up to three hundred (300) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto
Permit Fees (Section 11):	Waived

Term (Section 12):	Commencement Date and Time: May 26, 2011 at 2:00 P.M. Expiration Date and Time: May 26, 2011 at 11:00 P.M. Event time shall be from 6:00 P.M. to 9:30 P.M. All other time shall be for set-up, preparation and break-down purposes only.
Utilities (Section 19):	Not applicable.
Additional Permittee Requirements:	• Proof of issuance of all event-specific permits required by San Francisco Fire Department and San Francisco Entertainment Commission related to use of temporary generators and amplified sound. • Permittee shall be responsible for provision of restroom facilities at Premesis for event attendees. • Permittee shall be responsible for management and disposal of all trash, recyclables and compostables generated by the Event at Premesis.
Insurance Limits (Section 21):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority One Avenue of the Palms 2nd Floor Treasure Island

San Francisco, CA 94130
Attn.: Director of Island Operations
Phone No.: (415) 274-0660
Fax No.: (415) 274-0299

Permittee: Black Rock Arts Foundation
3450 3rd Street, #2A
San Francisco, CA 94124

Telephone (415) 626-1248
Facsimile (415) 865-3820

Email: tomas@blackrockarts.org

Security Deposit (Section 33): Waived

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility,

cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report.** Without limiting Section 4 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises.** Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Licensees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing

materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority property.

7. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on Exhibit B attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage the use of public transportation, ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises. Information about public transportation servicing former Naval Station Treasure Island is attached to this Permit as Exhibit H. Further public transportation information is also available on-line at http://www.511.org.

8. **Resource Conservation and Sustainability**. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 32 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and shall conduct its operations in accordance with all applicable environmental laws.

California State Bill, AB 2176 (Montanez, Chapter 879, Statutes of 2004) and the San Francisco Environment Code require all operators of large events to maximize recycling and minimize waste in order to achieve high rates of landfill diversion. If Permittee's use of the Premises will host over 1,000 people, Permittee shall comply with the following requirements not later than thirty (30) days prior to the scheduled event:

A. Submit a recycling and waste reduction plan to the Treasure Island Event Coordinator.

B. Provide proof of attendance at an event recycling workshop or hire an approved event recycling crew. Contact the SF Department of the Environment's recycling program at 355-3754 for more information on workshops and approved recycling services.

C. Submit proof of recycling, trash and composting (if applicable) collection services. Proof of service can be obtained from the permitted refuse hauler, Golden Gate Disposal and Recycling (www.sfrecycling.com or 330-1300).

9. **Subject to Authority and City Uses**. Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

10. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 4.2 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

11. **Permit Fee**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

12. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

13. **Compliance with Laws**. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act) whether presently in effect or subsequently adopted and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations and regulating the posting of signs on public property. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee at its sole cost and expense shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies

and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

14. **Security**. In addition to the Permit Fee described in Section 11 above, Permittee shall provide the security, police and medical support services described on Exhibit E, attached hereto, at its sole cost and expense.

15. **Rules and Regulations**. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit F. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

16. **Surrender; No Holding Over**. Upon the expiration of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any termination of this Permit.

If Permittee fails to surrender the Premises to Authority upon the expiration or earlier termination of this Permit as required by this Section, Permittee shall indemnify, protect, defend and hold harmless forever ("Indemnify") Authority against all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") resulting therefrom, including, without limitation, Losses made by a succeeding permittee resulting from Permittee's failure to surrender the Premises. Permittee shall have no right to hold over without the prior written consent of Authority, which consent may be withheld in Permittee's sole and absolute discretion. If Permittee holds over the Premises or any part thereof after expiration or earlier termination of this Permit, such holding over shall be terminable upon written notice by Permittee, and the Permit Fee shall be increased to two hundred percent (200%) of the Permit Fee in effect immediately prior to such holding over, calculated on a per diem basis, and such holdover shall otherwise be on all the other terms and conditions of this Permit. This Section shall not be construed as Authority's permission for Permittee to hold over. Acceptance of any holdover Permit Fee by Authority following expiration or termination of this Permit shall not constitute an extension or renewal of this Permit.

17. **Repair of Damage**. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs or behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

18. **Public Safety**. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

19. **Utilities**. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

20. **Release and Waiver of Claims; Indemnification**

20.1. **Release and Waiver of Claims**. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 20.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Authority from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 20.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

20.2. Acknowledgment. Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

20.3. Permittee's Indemnity. Permittee, on behalf of itself and Permittee's Agents, shall Indemnify the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 20.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to the extent such Losses are not covered by insurance required herein and subject to this Section 20.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

21. INSURANCE

21.1. **Permittee's Insurance**. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Permittee has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

21.2. **Claims Made Policy**. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

21.3. **Annual Aggregate Limit**. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

21.4. **Additional Insureds**. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

21.5. **Payment of Premiums**. Permittee shall pay all the premiums for maintaining all required insurance.

21.6. **Waiver of Subrogation Rights**. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue

appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

21.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

21.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

21.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

21.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

22. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

23. No Joint Venture or Partnership; Independent Contractor. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

24. Impossibility of Performance. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

25. Possessory Interest Taxes; Payment of Taxes. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises,

licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

26. Notices. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information. Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

27. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

28. **Non-Discrimination**.

28.1 **Covenant Not to Discriminate**. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

28.2 **Subcontracts**. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 28.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

28.3 **Non-Discrimination in Benefits**. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

28.4 **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

29. **Tropical Hardwoods and Virgin Redwood**. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

30. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

31. **Conflicts of Interest**. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

32. **Food Service Waste Reduction**. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. This ordinance prohibits the use of polystyrene foam disposable food service ware and requires the use of compostable or recyclable food service ware by anyone serving food in San Francisco. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely

difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

33. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 33, Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

34. **Notification of Limitations on Contributions**. Through its execution of this Permit, Permittee acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Permittee acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Permittee further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Permittee's board of directors; Permittee's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Permittee; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Permittee. Additionally, Permittee acknowledges that Permittee must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

35. **Intellectual Property; Music Broadcasting Rights**. Permittee shall be solely responsible for obtaining any necessary clearances or permissions for the use of intellectual property, including, but not limited to musical or other performance rights. (Note to Permittee: To obtain the appropriate music performance license, you may contact the BMI Licensing Executive toll free at 1-877-264-2137 Monday – Friday, 9-5 p.m. (Central Time) and the American Society of Composers, Authors and Publishers ("ASCAP") at 1-800-505-4052 Monday – Friday, 9-5 p.m. (Eastern Time)).

36. **TIHDI Job Broker**. **Permittee** shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit G.

37. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions.

PERMITTEE:

Black Rock Arts Foundation, a Nevada Non-Profit Association

By: _____

Name: TOMAS J. MCCABE

Title: EXECUTIVE DIRECTOR

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

Treasure Island Special Event Use Permit Exhibit A

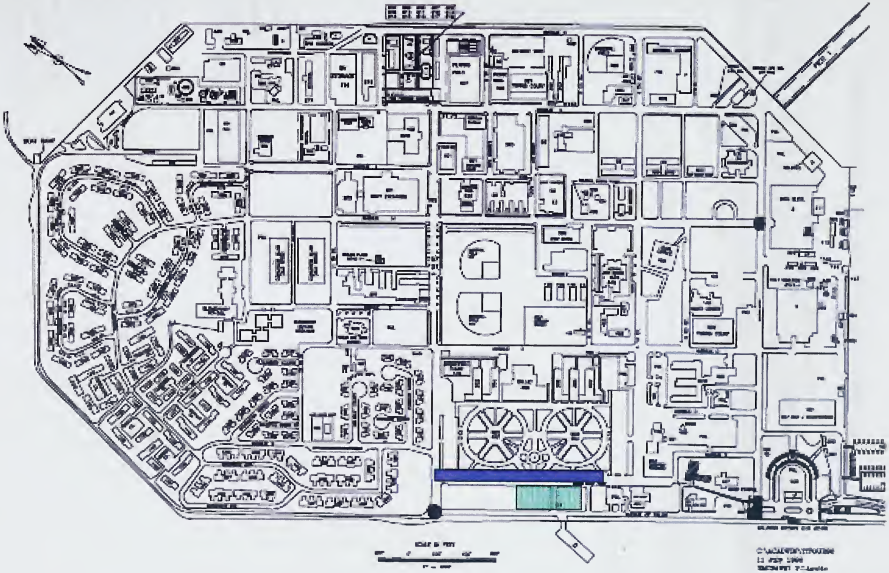
Master Lease(s) between TIDA and the United States Navy

Treasure Island Special Event Use Permit Exhibit B

Premises

51 - Black Rock Arts Foundation

Allowed parking:



Treasure Island Special Event Use Permit Exhibit C

Cover Page of Seismic Report:

"Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions," prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco – August, 1995"

TREASURE ISLAND REUSE PLAN

EXISTING CONDITIONS REPORT: VOL. 2

PHYSICAL CHARACTERISTICS, BUILDING AND INFRASTRUCTURE CONDITIONS

AUGUST 1995

PREPARED FOR:
The Office Of Military Base Conversion,
Planning Department, City & County of San Francisco,
and the San Francisco Redevelopment Agency

PREPARED BY:
ROMA Design Group
Cerbatos & Associates Consulting Electrical Engineers
Cervantes Design Associates
Don Todd Associates, Inc.
Manna Consultants, Inc.
Moffatt & Nichol Engineers
Olivia Chen Consultants, Inc.
Takahashi Consulting Engineers
Treadwell & Rollo, Inc.

Treasure Island Special Event Use Permit Exhibit D

Structural Report

None

Treasure Island Special Event Use Permit Exhibit E

Security Services and Permits

Permittee shall provide, at its expense, any and all additional security and police officers required for the event described in Section 6 as determined by the San Francisco Police Department. Permittee shall, at its expense, contract with the San Francisco Fire Department, EMS Division, for the provision of medical support during the hours of operation of the event.

Without limiting the generality of Section 13 regarding compliance with applicable laws, Permittee shall obtain any permits required by the San Francisco Fire Department, (ie. General Assembly, Tent, Open Flame, Propane, etc.), and the San Francisco Police Department and the San Francisco Entertainment Commission, (ie. Loudspeaker, Itinerant Show, etc.) at its expense.

Permittee shall obtain any permits required by the Department of Building Inspection, (ie. Electrical, etc.) and the Department of Public Health at its expense.

Permittee shall obtain approval from the San Francisco Police Department for alcohol sales and must obtain a one day liquor license from the California Department of Alcoholic Beverage Control.

Permitee shall obtain an Excavation Permit from the Public Utilities Commission, Treasure Island Utilities Manager, for tent staking, digging, or excavation of any kind.

Permittee shall furnish copies of all such permits to the Treasure Island Development Authority prior to the event.

Treasure Island Special Event Use Permit Exhibit F

Rules and Regulations

1. All rules and regulations set out in the Master License shall prevail.
2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of the Treasure Island Development Authority. Such signs must be removed within 24 hours of vacancy, or the termination of the approved event or activity, or at the request of the Treasure Island Development Authority.
3. Permittee's contractors, while on the Premises or Permittee's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from the Treasure Island Development Authority and its agents, but will not be an agent or contractor of the Treasure Island Development Authority or its agents. Permittee's contractor shall be licensed by the State, insured and bonded at the amount requested by the Treasure Island Development Authority.
4. Permittee shall install and maintain at Permittee's expense, any life safety equipment required by governmental rules, regulations, or laws to be kept on the Premises.
5. All tents should be certified to withstand 70 mph winds and installed according to manufacturer's instructions. All tents and heating devices must comply with the fire and life safety regulations and be inspected and approved by the San Francisco Fire Department Inspector. Staking is only permitted in limited areas. An Excavation Permit must be obtained from the Navy Caretaker Site Office.

Treasure Island Special Event Use Permit Exhibit G

TIHDI Job Broker Program Requirements

The Treasure Island Homeless Development Initiative (TIHDI) Job Broker program provides access to a resource pool of individuals with varied skill levels and work experience backgrounds. As part of the Treasure Island Development Authority's commitment to supporting TIHDI and the supportive services organizations with operations and residents on the Island, TIDA requires that Event Producers engage the TIHDI Job Broker Program during their production activities and make all best efforts to fill appropriate available positions through the Job Broker Program whenever possible.

The Job Broker can assists in coordinating work crews for special events. This can include duties such as set-up and breakdown, event security, traffic control, sanitation and recycling. Through the Job Broker program, Event Producers are provided free and immediate access to San Francisco's extensive non-profit employment & training programs and access to a labor resource pool of individuals with varied skill levels and work experience backgrounds.

How it works:

- Event Producer contacts the Job Broker at least 15 business days prior to the Special Event with a list of the number of workers needed; job duties; hours to be worked; rate of pay; and date(s) when workers will be paid.
- Broker recruits workers (or work crews) based on the Event Producer's requirements and refers them to the Event Producer.
- Employer supplies workers with all necessary equipment such as work gloves, safety vests, job-specific tools and equipment, etc.
- There is a 4 hour minimum work schedule for workers employed through the Broker.
- Event Producer pays the workers directly.

For changes in schedule, the employer shall contact the Broker at least 24 hours in advance. Event Producer will let the Job Broker know if they wish to meet the workers prior to the work day/event for an interview. Should the Event Producer not be satisfied with a referral, the Event Producer should contact the Job Broker as soon as possible in order to possibly find a

replacement worker. The goal of the program is for both the worker and the employer to have a satisfactory experience. All of its client referrals are required to meet universal standards of job readiness.

For further information on the TIHDI Job Broker System, please contact:
Mark Odell
TIHDI Job Broker
(415) 274-0311 ex. 304
modell@tihdi.org

Public Transportation Information

MUNI 108 TREASURE ISLAND FROM TREASURE ISLAND TO DOWNTOWN

Weekdays (frequencies in minutes):

Service	First	7am - 9am	9am - 4pm	4pm - 6/7pm	Eve	Last	Owl
108	24 hour service	15	20	15	20	24 hour service	45

Weekends (frequencies in minutes):

Service	First	7am - 10am	10am - 6pm	Eve	Last	Owl
Saturday 108	24 hour sevice	40	20	45	24 hour service	45
Sunday 108	24 hour sevice	40	20	45	24 hour service	45

Inbound: 13th, Gateview, Ave B, 9th St, Ave H, California Ave, Ave of the Palms, Treasure Island Rd., Bay Bridge, Folsom, Main to 108 island stop drop-off on Main before Howard (Transbay Temporary Terminal).

Outbound: From Transbay Temporary Terminal curb stop pick-up on Beale between Howard and Folsom via Beale, Folsom, Essex, Bay Bridge to Treasure Island exit, Treasure Island Rd., Ave of the Palms, California Ave, Ave H, 13th St to Gateview.

Yerba Buena Island service: There is currently no MUNI 108 service on Yerba Buena Island. CalTrans operates a public shuttle along Macalla Road on YBI with stops between the Treasure Island Main Gate and the U.S. Coast Guard Main Gate.

Transbay Temporary Terminal: The 108 Route downtown terminal is moved to the Transbay Temporary Terminal at Beale and Howard Streets in downtown San Francisco during construction of the new Transbay Terminal. The 108 operates express within the South of Market area, stopping **only** at the Transbay Temporary Terminal.

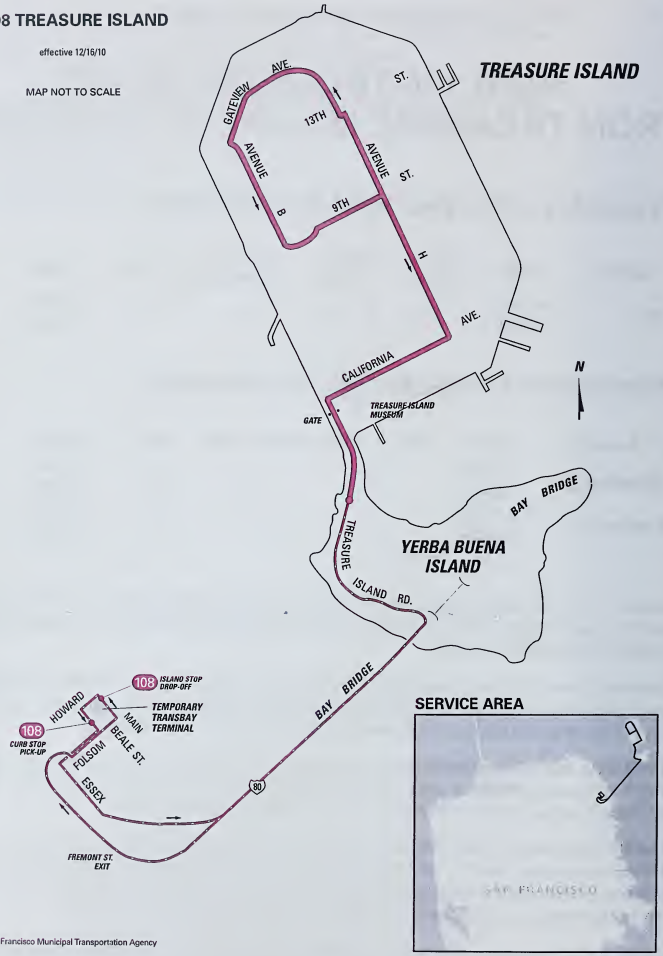
FOR FULL SAN FRANCISCO AND BAY AREA PUBLIC TRANSPORTATION INFORMATION VISIT 511.Org

Show details

108 TREASURE ISLAND

effective 12/16/10

MAP NOT TO SCALE



[Use Permit with Black Rock Arts Foundation]

RESOLUTION AUTHORIZING THE DIRECTOR OF ISLAND OPERATIONS TO RETROACIVELY EXECUTE A SPECIAL EVENT USE PERMIT WITH BLACK ROCK ARTS FOUNDATION, A NEVADA NON-PROFIT ORGANIZAION.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, Black Rock Arts Foundation is a project sponsor of the installation and display of the sculpture "Bliss Dance", approved for installation and display at the Treasure Island Great Lawn under Authority Use Permit for Temporary Installation and Display of Public Art # P-420; and,

WHEREAS, Upon completion of installation of "Bliss Dance", BRAF wished to hold a public reception at the Great Lawn commemorating the completion of installation; and,

WHEREAS, The Authority Special Events policy sets a standard daily Permit Fee of $2,000 for rental of the Great Lawn for Special Events such as this public reception; and,

WHEREAS, BRAF requested a waiver of this standard Permit Fee; and,

WHEREAS, Project Office staff were amenable to this proposed waiver due to the free, open-to-the-public nature of the event and its direct connection to the "Bliss Dance" installation and display already approved by the Authority Board, and

WHEREAS, Authority Board approval is required for such waiver of standard Use Permit fees outside the parameters of the Authority Special Event policy; now, therefore be it

RESOLVED, That the Board of Directors hereby retroactively approves the Use Permit with Black Rock Arts Foundation, a Nevada Non-Profit Organization, including waiver of Permit Fees, and authorizes the Director of Island Operations or her designee to execute said Use Permit in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Use Permit are economically reasonable; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Use Permit that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Use Permit, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6F

Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution authorizing the Director of Island Operations to execute (i) a Memorandum of Understanding Between the Treasure Island Development Authority and Catholic Charities CYO, a California nonprofit corporation, for the purpose of obtaining full-day child care services in Building 502 for the period from July 1, 2011 to June 30, 2012; and (ii) Sublease No. 455 with Catholic Charities CYO for Building 502, Treasure Island.

Contact Richard A. Rovetti, Deputy Director of Real Estate

Phone 415-274-3365

BACKGROUND

In May 2009, after serving the Island community for over 8 years, Kidango notified its families and the Treasure Island Development Authority (the "Authority") that it would be terminating operations at its Treasure Island childcare facility due to financial and staffing challenges. Representatives from the Authority, Treasure Island Homeless Development Initiative (TIHDI), and the Department of Children Youth and Their Families (DCYF) met with Kidango to discuss closure and transition to minimize disruption of services to attending families. The Authority, TIHDI, and DCYF identified San Francisco State University's ("SFSU") Head Start Program as a qualified child care replacement that would be able to provide childcare services at this facility.

At the September 9, 2009 Authority Board Meeting, the Authority Board approved (i) a Memorandum of Agreement among the Authority, TIHDI, DCYF, and SFSU that set forth guidelines and funding requirements in order for SFSU to provide its services to the existing families; (ii) a Grant Agreement under which the Authority would provide funds to offset operation expenses in an amount not to exceed $57,195.50; and (iii) a new Sublease commencing on September 16, 2009 and terminating on December 31, 2009 for Building 502. The objective was for SFSU to continue operations beyond December 31, 2009 using funds from the American Recovery Investment Act to offset expenses. However, SFSU was unable to receive these funds and due to financial challenges terminated operations on January 14, 2010. In November 2009, the Authority, TIHDI, and DCYF met with the Executive Director of Catholic Charities CYO, a California nonprofit corporation (CCCYO), to inquire if they would be interested in continuing the childcare program at this facility beyond January 14, 2010. CCCYO agreed to operate the childcare facility as it aligns with their mission to serve the vulnerable population.

On January 13, 2010 the Authority Board of Directors authorized the Director of Island Operations to execute: (1) a Memorandum of Understanding (MOU) with the Catholic Charities CYO, a California nonprofit corporation ("CCCYO") for the purpose of providing child care services at Building 502 on Treasure Island; (2) a Grant Agreement to provide CCCYO a grant in the maximum amount of $26,000 to subsidize its operation of the child care facility; and (3) Sublease No. 220 with CCCYO for space in Building 502 for the child care facility (the "Premises"). On July 14, 2010, the Authority Board of Directors approved a new MOU and the First Amendment to the Grant Agreement to continue funding the child care facility though June 30, 2011.

CCCYO has operated the child care facility since January 2010, and Project Staff is recommending that its child care operations be continued, with the Authority taking responsibility for facility operating expenses related to utility, landscaping and janitorial services during the upcoming fiscal year in lieu of providing CCCYO with grant funding to offset these expenses. The Authority and CCCYO have negotiated a new MOU commencing on July 1, 2011 and ending on June 30, 2012 that sets forth guidelines and funding requirements in order for CCCYO to provide full day, child care services for children 6 months to 5 years old in a licensed child care center located at Building 502.

Project Staff and CCCYO have also negotiated a new Sublease commencing on July 1, 2011 and terminating on November 30, 2011 for Parcel A: approximately 10,123 square feet of classroom space located at Building 502; and Parcel B: approximately 33,977 square feet of land located adjacent thereto.

MEMORANDUM OF UNDERSTANDING

The salient terms and conditions of the proposed MOU include the following:

- The term of the MOU will commence on July 1, 2011 and terminate on June 30, 2012. The facility will offer childcare services to residents and employees of Treasure Island and Yerba Buena Island as well as to residents of the greater City and County of San Francisco, with preference given to Treasure Island and Yerba Buena Island residents and employees.

- The hours of operation shall be between 8:00 a.m. and 6:00 p.m., Monday-Friday, except during the specified holidays.

- CCCYO to provide full day, child care services for children 6 months to 5 years old in a licensed day care center located at Building 502, Treasure Island.

- CCCYO must meet Community Care Licensing requirements.

SUBLEASE TERMS AND CONDITIONS

CCCYO will sign the Authority's standard form Sublease document. The salient terms and conditions of the proposed Sublease include the following:

Premises:	Parcel A: approximately 10,123 square feet of classroom space located at Building 502; and Parcel B: approximately 33,977 square feet of land located adjacent to Building 502.
Location:	Building 502
Commencement Date:	July 1, 2011
Lease Expiration Date:	November 30, 2011
Lease Term:	Month-to-Month
Base Rent:	The Premises will be provided to the Subtenant at no Base Rent in consideration of the Subtenant's obligation to operate a childcare facility as more particularly described in Addendum Section 7.1(a).
Use:	Operation of a child-care facility in accordance with the Memorandum of Understanding dated July 1, 2011 between the Treasure Island Development Authority and Catholic Charities CYO.
Security Deposit:	Waived

FINANCIAL IMPACT

Project Staff is recommending that CCCYO child care operations be continued, with the Authority taking responsibility for facility operating expenses related to utilities, landscaping, and janitorial services during the upcoming fiscal year in lieu of providing CCCYO with grant funding to offset these expenses. Project Staff anticipates an increase to the Toolworks service contact of an amount not to exceed $20,000, and no other additional costs associated with this change to the Operating Budget.

RECOMMENDATION

Project Staff recommends that the Authority Board of Directors approve (i) the Memorandum of Understanding Between the Treasure Island Development Authority and Catholic Charities CYO and (ii) the Sublease with Catholic Charities CYO for Building 502, Treasure Island, and authorize the Director of Island Operations or her designee to execute said agreements in substantially the form attached hereto.

EXHIBITS

Exhibit A: Memorandum of Understanding Between the Treasure Island Development Authority and Catholic Charities CYO

Exhibit B: Sublease between the Treasure Island Development Authority and the Catholic Charities CYO

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

MEMORANDUM OF UNDERSTANDING

I. PURPOSE:

This Memorandum of Understanding ("MOU") is entered into as of July 1, 2011 between the Treasure Island Development Authority ("TIDA"), and CATHOLIC CHARITIES CYO, a California nonprofit corporation ("CCCYO"), and is for the purposes of:

1. Providing full-day child care services to children 6 months to 5 years old in a licensed child care center located at Building 502, Treasure Island, San Francisco, CA.

2. Delivering high quality child care services that foster healthy development, maintain open and clear communication with the child's parent or primary caregiver, and provide children with a safe and supportive environment.

3. Meeting California Department of Social Services-Community Care Licensing requirements.

4. Contractor represents and warrants that it is qualified to perform the services required by City as set forth under this Contract; and,

II. PROVIDER RESPONSIBILITIES:

CCCYO shall provide the following:

1. Full-day infant and toddler child care services for children ages 6 months to 2 years old and provide child care services to preschoolers ages 3 to 5 years old. These services will be provided in accordance with the California Department of Education-Child Development Division's Title 5 program and fiscal guidelines. CCCYO shall offer such child care services to the residents and employees of Treasure Island and Yerba Buena Island as well as to residents of the greater City and County of San Francisco, with preference given to Treasure Island and Yerba Buena Island residents and employees.

2. A continuum of care that will include age appropriate interaction that will allow stable, uninterrupted child care and support to children in care in accordance with the terms and conditions as specified by the California Child Care licensing program and subsidized child care center facility.

3. Work with the community and key stakeholders as collaborative partners in meeting the needs of the children and families that receive child care and development services.

III. TERM:

The term of this Agreement shall be for a month to month term from July 1, 2011 to June 30, 2012. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

IV. HOURS OF SERVICE:

CCCYO agrees to provide the required services to infants, toddlers and preschool-age children for ten (10) hours per day, five (5) days per week during the term of this MOU. The hours of operation shall be between 8:00 a.m. and 6:00 p.m., Monday-Friday, except during the specified holidays.

V. COMPENSATION:

CCCYO agrees that Authority will provide no compensation for providing the services outlined in Subsection II of this MOU.

VI. COMMUNITY CARE LICENSING:

CCCYO must maintain all required licenses and permits to operate and maintain a quality licensed child care facility. Copies of these licenses, permits, certificates or exemptions to operate a child care and development program must be posted on the premises at all times. Failure to comply with this requirement will result in immediate termination of this MOU.

VII. INSURANCE:

a. Without in any way limiting CCCYO's liability pursuant to the "Indemnification" section of this Agreement, CCCYO must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

   1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

   2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

1) Name as Additional Insured the Treasure Island Authority Board, City and County of San Francisco ("City"), its Officers, Agents, and Employees.

2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, CCCYO hereby agrees to waive subrogation which any insurer of CCCYO may acquire from CCCYO by virtue of the payment of any loss. CCCYO agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the CCCYO, its employees, agents and subcontractors.

d. All policies shall provide thirty days' advance written notice to the Treasure Island and the City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the Treasure Island at INSERT ADDRESS

e. Should any of the required insurance be provided under a claims-made form, CCCYO shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Treasure Island receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, Treasure Island may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, CCCYO shall furnish to City certificates of insurance and additional insured policy endorsements with

insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by Treasure Island shall not relieve or decrease the liability of CCCYO hereunder.

VIII. INDEMNIFICATION:

CCCYO shall indemnify and save harmless Treasure Island, City and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of CCCYO or loss of or damage to property, arising directly or indirectly from CCCYO's performance of this Agreement, including, but not limited to, CCCYO 's use of facilities or equipment provided by Treasure Island, City or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Treasure Island and City, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Treasure Island and City and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on CCCYO, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Treasure Island and City's costs of investigating any claims against the Treasure Island and City. In addition to CCCYO's obligation to indemnify Treasure Island and City, CCCYO specifically acknowledges and agrees that it has an immediate and independent obligation to defend Treasure Island and City from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to CCCYO by Treasure Island and City and continues at all times thereafter. CCCYO shall indemnify and hold City harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Treasure Island and City, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

IX. INCIDENTAL AND CONSEQUENTIAL DAMAGES:

CCCYO shall be responsible for incidental and consequential damages resulting in whole or in part from CCCYO's acts or omissions. Nothing in this MOU shall constitute a waiver or limitation of any rights that TIDA may have under applicable law.

X. LIABILITY OF TIDA:

TIDA's PAYMENT OBLIGATIONS UNDER THIS MOU SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED HEREIN OF THIS MOU. NOTWITHSTANDING ANY OTHER PROVISION OF THIS MOU, IN NO EVENT SHALL TIDA OR CITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS MOU OR THE SERVICES PERFORMED IN CONNECTION WITH THIS MOU.

XI. SUBLEASE

TIDA and CCCYO agrees to enter into Sublease No. 455 commencing on July 1, 2011 for use of Building 502 (the "Sublease"), the terms of which are incorporated herein by reference. In the event of a material default of CCCYO under the Sublease that is not cured within any applicable cure periods, then TIDA will have the right to terminate this MOU, and the Sublease.

XII. AMENDMENTS:

This MOU may be amended upon mutual written consent of all parties.

XIII. APPROVALS:

The effectiveness of this MOU is subject to the TIDA Board of Directors' approval of this MOU in its sole and absolute discretion.

[Remainder of page intentionally left blank]

The signatures below confirm agreement to the terms of this MOU by all parties concerned.

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Its: Director of Island Operations

CATHOLIC CHARITIES CYO, a California nonprofit corporation

By: _____
Tere Brown
Its: Director of Program Services

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

MOU Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

SUBLEASE No. 455

between

TREASURE ISLAND DEVELOPMENT AUTHORITY

as Sublandlord

and

CATHOLIC CHARITIES CYO
a California nonprofit corporation
as Subtenant

For the Sublease of

Building 502

Treasure Island Naval Station
San Francisco, California

July 1, 2011

TREASURE ISLAND SUBLEASE

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LIST OF EXHIBITS:

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EXHIBIT B – Diagram of Premises
EXHIBIT C – Cover Page of Seismic Report
EXHIBIT D – Rules and Regulations
EXHIBIT E – Utilities
EXHIBIT F – TIHDI Work Force Hiring Plan
EXHIBIT G – Memorandum of Understanding

ADDENDUM TO SUBLEASE

TREASURE ISLAND SUBLEASE

THIS SUBLEASE (the "Sublease"), dated for reference purposes only as of July 1, 2011, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation ("Sublandlord"), and CATHOLIC CHARITIES CYO, a California nonprofit corporation ("Subtenant"). From time to time, Sublandlord and Subtenant together shall be referred to herein as the "Parties".

This Sublease is made with reference to the following facts and circumstances:

A. The United States of America, acting by and through the Department of Navy ("Master Landlord") and Sublandlord entered into a lease dated October 18, 2001, as amended from time to time (the "Master Lease"), a copy of which is attached hereto as Exhibit A. Under the Master Lease, the Master Landlord leased to Sublandlord certain real property located on Treasure Island Naval Station (the "Property"), as more particularly described in the Master Lease.

B. Sublandlord and Subtenant are parties to Sublease No. 336 dated December 1, 2010 (the "Original Sublease"), for space located at Building 502, Treasure Island, San Francisco, California as more particularly described in the original sublease (the "Original Premises"). Subtenant desires to continue to sublease the Original Premises from Sublandlord and Sublandlord is willing to sublet to Subtenant the Original Premises on the terms and conditions contained in this Sublease.

C. As of June 30, 2011, Sublandlord and Subtenant agree that the Original Sublease shall terminate.

NOW THEREFORE, Sublandlord and Subtenant hereby agree as follows:

1. BASIC SUBLEASE INFORMATION

The following is a summary of basic sublease information (the "Basic Sublease Information"). Each item below shall be deemed to incorporate all of the terms of this Sublease pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of this Sublease, the more specific provision shall control.

Sublease Reference Date:	July 1, 2011
Sublandlord:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California public benefit corporation
Subtenant:	CATHOLIC CHARITIES CYO, a California nonprofit corporation
Subleased Premises (Section 2.1):	Parcel A: approximately Ten Thousand One

	Hundred and Twenty Three (10,123) square feet of classroom space located at Building 502; and Parcel B: approximately Thirty Three Thousand Nine Hundred and Seventy Seven (33,977) square feet of land adjacent to Building 502, Treasure Island, San Francisco, CA., as more particularly shown on Exhibit B, attached hereto.
Facility:	Building 502
Term: (Section 4.1):	Commencement date: July 1, 2011 Expiration date: November 30, 2011 Notwithstanding anything to the contrary in this Sublease, either Sublandlord or Subtenant, in its sole discretion, may terminate this Sublease for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party, except as provided in Subsection 7.1(a) of this sublease. Sublandlord and Subtenant acknowledge that the Original Sublease will terminate as of the Commencement Date described above, and the Premises will be subject to this Sublease from and after the Commencement Date.
Base Rent (Section 5.1):	The Premises will be provided to the Subtenant at no Base Rent in consideration of the Subtenant's obligation to operate a childcare facility as more particularly described in Addendum Section 7.1(a).
Rent Adjustment Date(s) (Section 5.2):	Not Applicable
Rent Increase Percentage (Section 5.2):	Not Applicable
Use (Section 7.1):	Operation of a childcare facility as more particularly described in Addendum Section 7.1(a).
Repair Amount (Section 13.1):	Ten Thousand Dollars ($10,000)
Security Deposit (Section 19.3):	Waived

Notice Address of Sublandlord (Section 21.1):	Treasure Island Development Authority Treasure Island Project Office One Avenue of Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn: Mirian Saez Director of Island Operations Fax No.: 415-274-0299 with a copy to: Office of the City Attorney City Hall, Room 234 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102 Attn: Eileen M. Malley Fax No.: (415) 554-4755
Notice Address of Subtenant (Section 21.1):	CATHOLIC CHARITIES CYO 180 Howard Street, Suite 100 San Francisco, CA. 94105 Attn: Tere Brown Phone No. (415) 972-1238 Fax No. (415) 972-1201 Email. tbrown@cccyo.org
Notice Address of Master Landlord (Section 21.1):	Department of The Navy Base Realignment and Closure Program Management Office West 1455 Frazee Road, Suite 900 San Diego, CA 92108-4310 Fax #: (619) 532-9858
Other Noteworthy Provisions	See Addendum

2. PREMISES

2.1. Subleased Premises. Subject to the terms, covenants and conditions of this Sublease, Sublandlord subleases to Subtenant the Premises. Subtenant shall have the non-exclusive right to use, together with other subtenants in the Facility, the lobbies, corridors, elevators, stairways and other public areas of the Facility and the Property (collectively, the "Common Areas"), and the non-exclusive right of access to and from the Premises by the main entrances to the Facility and the Property.

In the event Subtenant uses or occupies space outside the Premises without the prior written consent of Sublandlord (the "Encroachment Area"), then upon written notice from Sublandlord ("Notice to Vacate"), Subtenant shall immediately vacate such Encroachment Area and pay as additional rent for each day Subtenant used, occupied, uses or occupies such Encroachment Area, an amount equal to the rentable square footage of the Encroachment Area, multiplied by the higher of the (a) highest rental rate then approved by Sublandlord's Board of Directors for the Premises or the Facility, or (b) then current fair market rent for such Encroachment Area, as reasonably determined by Sublandlord (the "Encroachment Area Charge"). If Subtenant uses or occupies such Encroachment Area for a fractional month, then the Encroachment Area Charge for such period shall be prorated based on a thirty (30) day month. In no event shall acceptance by Sublandlord of the Encroachment Area Charge be deemed a consent by Sublandlord to the use or occupancy of the Encroachment Area by Subtenant or a waiver (or be deemed as waiver) by Sublandlord of any and all other rights and remedies of Sublandlord under this Sublease (including Subtenant's obligation to indemnify, defend and hold Sublandlord harmless as set forth in the last paragraph of this Section 2.1), at law or in equity.

In addition to the foregoing amount, Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Two Hundred Dollars ($200.00) upon delivery of the initial Notice to Vacate plus the actual cost associated with a survey of the Encroachment Area. In the event Sublandlord determines during subsequent inspection(s) that Subtenant has failed to vacate the Encroachment Area, then Subtenant shall pay to Sublandlord, as additional rent, an amount equaling Three Hundred Dollars ($300.00) for each additional Notice to Vacate, if applicable, delivered by Sublandlord to Subtenant following each inspection. The parties agree that the charges associated with each inspection of the Encroachment Area, delivery of each Notice to Vacate and survey of the Encroachment Area represent a fair and reasonable estimate of the administrative cost and expense which Sublandlord will incur by reason of Sublandlord's inspection of the Premises, issuance of each Notice to Vacate and survey of the Encroachment Area. Subtenant's failure to comply with the applicable Notice to Vacate and Sublandlord's right to impose the foregoing charges shall be in addition to and not in lieu of any and all other rights and remedies of Sublandlord under this Sublease, at law or in equity. The amounts set forth in this Section 2.1 shall be due within three (3) business days following the applicable Notice to Vacate and/or separate invoice relating to the actual cost associated with a survey of the Encroachment Area.

In addition to the rights and remedies of Sublandlord as set forth in the immediately foregoing two paragraphs of this Section 2.1, the terms and conditions of the indemnity and exculpation provision set forth in Section 16 below shall also apply to Subtenant's use and occupancy of the Encroachment Area as if the Premises originally included the Encroachment

Area, and Subtenant shall additionally indemnify, defend and hold Sublandlord harmless from and against any and all loss or liability resulting from delay by Subtenant in so surrendering the Encroachment Area including, without limitation, any loss or liability resulting from any claims against Sublandlord made by any tenant or prospective tenant founded on or resulting from such delay and losses to Sublandlord due to lost opportunities to lease any portion of the Encroachment Area to any such tenant or prospective tenant, together with, in each case, actual attorneys' fees and costs.

By placing their initials below, each party specifically confirms the accuracy of the statements made in this Section 2.1 and the reasonableness of the amount of the charges described in this Section 2.1.

Initials: _____ Sublandlord _____ Subtenant

2.2. As Is Condition of Premises.

(a) Inspection of Premises. Subtenant represents and warrants that Subtenant has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Subtenant's Agents"), of the Premises and the suitability of the Premises for Subtenant's intended use. Subtenant is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses. As part of its inspection of the Premises, Subtenant acknowledges its receipt and review of the Seismic Report referenced in Section 2.2(c) below and the Joint Inspection Report referenced in Section 6 of the Master Lease.

(b) As Is; Disclaimer of Representations. Subtenant acknowledges and agrees that the Premises are being subleased and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties, including without limitation the orders and citations of any regulatory authority with jurisdiction over life and safety issues concerning the Premises governing the use, occupancy, management, operation and possession of the Premises ("Laws"). Without limiting the foregoing, this Sublease is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Subtenant acknowledges and agrees that neither Sublandlord, the City and County of San Francisco ("City"), nor any of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees or contractors, or their respective heirs, legal representatives, successors and assigns ("Sublandlord's Agents") have made, and Sublandlord hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, including, without limitation, the matters described in the Seismic Report (as defined below), (iii) the quality, nature or adequacy of any utilities

serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Subtenant's use and permitted under this Sublease, (v) the safety of the Premises, whether for the use by Subtenant or any other person, including Subtenant's Agents or Subtenant's clients, customers, vendors, invitees, guests, members, licensees, assignees or subtenants ("Subtenant's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

(c) **Seismic Report.** Without limiting Section 2.2(b) above, Subtenant expressly acknowledges for itself and Subtenant's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Subtenant has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils of the Property and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that any structures or improvements located on or about the Premises, may fail structurally and collapse.

3. COMPLIANCE WITH MASTER LEASE

3.1. Incorporation by Reference. All of the terms and conditions of the Master Lease are hereby incorporated by reference into this Sublease as if fully set forth herein.

3.2. Performance of Master Landlord's Obligations. Sublandlord does not assume the obligations of Master Landlord under the Master Lease. With respect to work, services, repairs, restoration, the provision of utilities or HVAC services, or the performance of any other obligations required of Master Landlord under the Master Lease, Sublandlord's sole obligation with respect thereto shall be to request the same, on request in writing by Subtenant, and to use reasonable efforts to obtain the same from Master Landlord. Subtenant shall cooperate with Sublandlord as may be required to obtain from Master Landlord any such work, services, repairs, repainting, restoration, the provision of utilities or HVAC services, or the performance of any of Master Landlord's obligations under the Master Lease.

3.3. Conflict. If any of the provisions of this Sublease conflict with any portion of the Master Lease as incorporated herein, then the terms of the Master Lease shall govern.

3.4. Compliance with Master Lease. Subtenant shall not do or permit to be done anything which would constitute a violation or a breach of any of the terms, conditions or provisions of the Master Lease or which would cause the Master Lease to be terminated or forfeited by virtue of any rights of termination reserved by or vested in the Master Landlord.

4. TERM

4.1. **Term of Sublease**. The term of this Sublease (the "Term") shall commence on the Commencement Date set forth in the Basic Sublease Information, and expire on the Expiration Date set forth in the Basic Sublease Information, unless sooner terminated pursuant to the terms of this Sublease.

4.2. **Effective Date**. This Sublease shall become effective on the date (the "Effective Date") upon the later of (i) the Parties' execution and delivery of this Sublease, (ii) Sublandlord's Board of Director's approval of this Sublease at a duly noticed meeting, if such approval is required, or (iii) the Commencement Date.

4.3. **Automatic Termination**. If the Master Lease terminates in whole or in part affecting these Premises for any reason whatsoever, this Sublease shall automatically terminate and the Parties shall thereafter be relieved from all liabilities and obligations under this Sublease, except for liabilities and obligations which expressly survive termination of this Sublease. Subtenant acknowledges and agrees that it has reviewed the Master Lease, is aware of the circumstances upon which the Master Lease may be terminated and hereby assumes all risks associated with the automatic termination of this Sublease because of the termination of the Master Lease.

4.4. **Termination**. As set forth in the Basic Sublease Information (Term), either Sublandlord or Subtenant, each in their sole discretion, may terminate this Sublease for any reason without liability or expense upon delivery of not less than thirty (30) days' prior written notice to the other party. Subtenant agrees and shall be required to surrender possession of the Premises by the end of such thirty (30) day period.

4.5. **No Relocation Assistance; Waiver of Claims**. Subtenant acknowledges that Subtenant has previously been informed that the Property subject to this Sublease is part of an area that is proposed for redevelopment and that this Sublease may be terminated by Sublandlord or Subtenant may be required to move from the Property to accommodate the redevelopment project. Subtenant acknowledges that, if this Sublease is terminated or Subtenant is asked to move, it will not be a displaced person as that term is defined under the California Government Code Section 7260 et seq. ("California Relocation Act") and the Uniform Relocation Assistance and Real Property Policies Act, 42 U.S. C. 4601 et seq. ("URA"), and that Subtenant will not be entitled to any relocation benefits provided under the California Relocation Act and the URA, including any moving expenses, reimbursement for costs associated with increased rent, loss of goodwill or other costs related to the termination of Subtenant's Lease and Subtenant's relocation from the Premises. Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims against, and covenants not to sue, Sublandlord, its departments, commissions, officers, directors and employees, agents, contractors and successors and assigns and all persons acting by, through or under each of them, under any laws, including, without limitation, any and all claims for relocation benefits or assistance from Sublandlord under federal and state relocation assistance laws (including, but not limited to, California Government Code Section 7260, et seq., and the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. 4601, et seq.).

Initials: _____Subtenant

5. RENT

5.1. Base Rent. Throughout the Term, beginning on the Commencement Date, Subtenant shall pay to Sublandlord Base Rent in the amount set forth in the Basic Sublease Information. Base Rent shall be paid to Sublandlord without prior demand and without any deduction, setoff, or counterclaim whatsoever. Base Rent shall be payable on or before the first day of each month, in advance, at the Notice Address of Sublandlord provided in Section 21.1 hereof or such other place as Sublandlord may designate in writing. If the Commencement Date occurs on a date other than the first day of a calendar month, or the Sublease terminates on a day other than the last day of a calendar month, then the monthly payment of Base Rent for such fractional month shall be prorated based on a thirty (30) day month.

5.2. Adjustments in Base Rent. If this Sublease has not been terminated, then on each Rent Adjustment Date set forth in the Basic Sublease Information, the Base Rent shall be increased by the Rent Increase Percentage set forth in the Basic Lease Information.

5.3. Additional Charges. In addition to Base Rent, Subtenant shall pay all other charges related to the Premises otherwise payable by Subtenant to Sublandlord hereunder, including, without limitation, all late charges and default interest attributable to late payments and/or defaults of Subtenant hereunder, all utility charges, and any amounts other than Base Rent that shall become due and payable by Subtenant under this Sublease (together, the "Additional Charges"). Together, Base Rent and Additional Charges shall hereinafter be referred to as the "Rent".

5.4. Late Charge. If Subtenant fails to pay any Rent within ten (10) days after the date the same is due and payable, such unpaid amount will be subject to a late payment charge equal to six percent (6%) of the unpaid amount in each instance. The late payment charge has been agreed upon by Sublandlord and Subtenant, after negotiation, as a reasonable estimate of the additional administrative costs and detriment that Sublandlord will incur as a result of any such failure by Subtenant, the actual costs thereof being extremely difficult if not impossible to determine. The late payment charge constitutes liquidated damages to compensate Sublandlord for its damages resulting from such failure to pay and Subtenant shall promptly pay such charge to Sublandlord together with such unpaid amount.

5.5. Default Interest. If any Rent is not paid within ten (10) days following the due date, such unpaid amount shall bear interest from the due date until paid at the rate of ten percent (10%) per year. However, interest shall not be payable on late charges incurred by Subtenant nor on any amounts on which late charges are paid by Subtenant to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge. Payment of interest shall not excuse or cure any default by Subtenant.

6. TAXES, ASSESSMENTS AND OTHER EXPENSES

6.1. Taxes and Assessments, Licenses, Permit Fees and Liens.

(a) **Payment Responsibility**. Subtenant shall pay any and all real and personal property taxes, including, but not limited to, possessory interest taxes, general and special assessments, excises, licenses, permit fees and other charges and impositions of every description levied on or assessed against the Premises, any Alterations, Subtenant's Personal Property, or Subtenant's use of the Premises or any Alterations during the Term. Subtenant shall make all such payments directly to the charging authority when due and payable and at least ten (10) days prior to delinquency. However, with respect to real property taxes and assessments levied on or assessed against the Premises for which Sublandlord receives the tax bill directly from the taxing authority, Subtenant shall reimburse Sublandlord for payment of such sums immediately upon demand.

(b) **Taxability of Possessory Interest.** Without limiting the foregoing, Subtenant recognizes and agrees that this Sublease may create a possessory interest subject to property taxation and that Subtenant may be subject to the payment of property taxes levied on such interest.

(c) **No Liens**. Subtenant shall not allow or suffer a lien for any taxes payable by Subtenant hereunder to be imposed upon the Premises or upon any equipment or other property located thereon without discharging the same as soon as practicable, and in no event subsequent to delinquency.

(d) **Reporting Information**. Subtenant agrees to provide such information as Sublandlord may request to enable Sublandlord to comply with any possessory interest tax reporting requirements applicable to this Sublease.

6.2. Evidence of Payment. Subtenant shall, upon Sublandlord's request, furnish to Sublandlord within ten (10) days after the date when any charges are due and payable, official receipts of the appropriate taxing authority or other evidence reasonably satisfactory to Sublandlord, evidencing payment thereof.

7. USE; COVENANTS TO PROTECT PREMISES

7.1. Subtenant's Permitted Use. Subtenant may use the Premises for the Permitted Use set forth in the Basic Sublease Information, but for no other purpose without the prior written consent of Sublandlord, which consent may be given or withheld in Sublandlord's sole and absolute discretion.

7.2. Subtenant's Access to the Premises. As provided in Section 30 of the Master Lease, Subtenant shall have access to the Premises on a 24-hours per day, seven days a week basis; provided, however, Subtenant shall coordinate such access with the local representative of Master Landlord.

7.3. Rules and Regulations. Subtenant agrees to adhere to all rules and regulations regarding the Premises attached hereto as Exhibit D, and any additional rules regarding security, ingress, egress, safety and sanitation applicable to the Premises or the Property, as such rules and regulations may be prescribed by Master Landlord or Sublandlord from time to time.

7.4. **Easements**. This Sublease shall be subject to all outstanding easements and rights-of-way for location of any type of facility over, across, in, and upon the Premises or any portion thereof, and to the right of Master Landlord to grant such additional easements and rights-of-way over, across, in and upon the Premises as Master Landlord shall determine to be in the public interest ("Additional Easements"); provided that, as provided in Section 29 of the Master Lease, Master Landlord shall use its best efforts to minimize any interference with Subtenant's operations hereunder caused by the granting of any such Additional Easements and the granting of such Additional Easements shall be conditioned on the assumption by the grantee thereof of liability to Subtenant for such damages as Subtenant shall suffer for property destroyed or property rendered unusable on account of the grantee's exercise of its rights thereunder. There is hereby reserved to the holders of such Additional Easements as are presently outstanding or which may hereafter be granted, to any workers officially engaged in the construction, installation, maintenance, operation, repair or replacement of facilities located thereon, and to any federal, state or local official engaged in the official inspection thereof, such reasonable rights of ingress and egress over the Premises as shall be necessary for the performance of their duties with regard to such facilities.

7.5. **No Interference with Navy Operations**. Subtenant shall not conduct operations, nor make any Alterations (as defined below), that would interfere with or otherwise restrict Master Landlord's operations or environmental clean-up or restoration actions by the Master Landlord, Sublandlord, the Environmental Protection Agency, the State of California or their contractors. Environmental clean-up, restoration or testing activities by these Parties shall take priority over Subtenant's use of the Premises in the event of any conflict; provided, however, in such event, Master Landlord and Sublandlord shall use their best efforts to minimize any disruption of Subtenant's operation.

7.6. **No Unlawful Uses, Nuisances or Waste**. Without limiting the foregoing, Subtenant shall not use, occupy or permit the use or occupancy of any of the Premises in any unlawful manner or for any illegal purpose, or permit any offensive, noisy or hazardous use or any waste on or about the Premises. Subtenant shall eliminate any nuisances or hazards relating to its activities on or about the Premises. Subtenant shall not conduct any business, place any sales display, or advertise in any manner in areas on or about the Property outside of the Premises.

8. ALTERATIONS

8.1. **Alterations**. Subtenant shall not construct, install, make or permit to be made any alterations, installations or additions ("Alterations") in, to or about the Premises, without Sublandlord's prior written consent in each instance, which consent may given or withheld in Sublandlord's sole and absolute discretion. Subject to Sublandlord's consent as provided above, any Alterations shall be done at Subtenant's sole expense (i) in strict accordance with plans and specifications approved in advance by Sublandlord in writing, (ii) by duly licensed and bonded contractors or mechanics approved by Sublandlord, (iii) in a good and professional manner, (iv) in strict compliance with all Laws, and (v) subject to all other conditions that Sublandlord may reasonably impose. In no event shall the construction, installation or the making of any Alterations impair the use or operation of the Property, or any portion thereof, or Sublandlord's

or Master Landlord's access thereto. Prior to the commencement of any work on the Premises to construct any Alterations, Subtenant, at its sole expense, shall procure all required permits and approvals and shall promptly upon receipt deliver copies of all such documents to Sublandlord. No material change from the plans and specifications for any Alterations approved by Sublandlord may be made without Sublandlord's prior consent. Sublandlord and Sublandlord's Agents shall have the right to inspect the course of construction on the Premises at all times.

(a) **Asbestos-Containing Materials**. Without limiting Section 25.2 (No Hazardous Materials) below, in the event that asbestos-containing materials ("ACM") are determined to exist in or about the Premises, Subtenant shall ensure that all Alterations and any asbestos related work, as defined in California Health & Safety Code Section 25914.1(b), is performed in compliance with all laws relating to asbestos, including but not limited to California Occupational Safety and Health (OSHA) regulations found in Title 8 of the California Code of Regulations, Sections 1502 and 1529. Additionally, Subtenant shall distribute notifications to all employees and contractors as required pursuant to California Health & Safety Code Section 25915 et seq. informing them of the existence of ACM and that moving, drilling, boring, or otherwise disturbing ACM may present a health risk and should not be attempted by an unqualified employee. No Alterations affecting ACM-containing areas or any asbestos related work shall be performed without Sublandlord's prior written consent in each instance.

(b) **Subtenant's Improvements or Alterations that Disturb or Remove Lead Based Paint**. Subtenant shall comply with all requirements of the San Francisco Building Code, Section 3407, and all other applicable present or future federal, state, local and administrative laws, rules, regulations, orders and other governmental requirements, the requirements of any board of fire underwriters or other similar body, any directive or occupancy certificate issued pursuant to any law by any public officer or officers acting in their regulatory capacity (collectively, "Laws"), including, without limitation, the California and United States Occupational Health and Safety Acts and their implementing regulations, when the work of improvement or alteration disturbs or removes exterior lead-based or "presumed" lead-based paint (as defined below). Subtenant shall give to Sublandlord three (3) business days prior written notice of any disturbance or removal of exterior lead-based or presumed lead-based paint. Further, Subtenant, when disturbing or removing exterior lead-based or presumed lead-based paint, shall not use or cause to be used any of the following methods: (a) acetylene or propane burning and torching; (b) scraping, sanding or grinding without containment barriers or a High Efficiency Particulate Air filter ("HEPA") local vacuum exhaust tool; (c) hydroblasting or high pressure wash without containment barriers; (d) abrasive blasting or sandblasting without containment barriers or a HEPA vacuum exhaust tool; and (e) heat guns operating above 1,100 degrees Fahrenheit. Paint on the exterior of buildings built before December 31, 1978, is presumed to be lead-based paint unless lead-based paint testing, as defined in Section 3407 of the San Francisco Building Code, demonstrates an absence of lead-based paint on the exterior surfaces of such buildings. Under this Section, lead based paint is "disturbed or removed" if the work of improvement or alteration involves any action that creates friction, pressure, heat or a chemical reaction upon any lead-based or presumed lead-based paint on an exterior surface so as to abrade, loosen, penetrate, cut through or eliminate paint from that surface. Notice to Sublandlord under this sublease shall not constitute notice to the City's Department of Building Inspection required under Section 3407 of the San Francisco Building Code.

8.2. **Historic Properties.** Without limiting the generality of the foregoing, Subtenant acknowledges and agrees that, pursuant to Section 15 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Master Landlord's and Sublandlord's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

8.3. **Ownership of Alterations**. Any Alterations constructed on or affixed to the Premises by or on behalf of Subtenant pursuant to the terms and limitations of this Section 8 shall be and remain Subtenant's property during the Term. Upon the termination of this Sublease, Subtenant shall remove all such Alterations from the Premises in accordance with the provisions of Section 19 hereof, unless Sublandlord, at its sole option and without limiting any of the provisions of Section 8.1 above, requires that such Alterations remain on the Premises following the expiration or termination of this Sublease.

8.4. **Subtenant's Personal Property**. All furniture, furnishings and articles of movable personal property and equipment used upon or installed in the Premises by or for the account of Subtenant that can be removed without structural or other material damage to the Premises (all of which are herein called "Subtenant's Personal Property") shall be and remain the property of Subtenant and shall be removed by Subtenant, subject to the provisions of Section 19 hereof. Subtenant shall be solely responsible for providing any security or other protection of or maintenance to Subtenant's Personal Property.

8.5. **Sublandlord's Alterations.** Sublandlord reserves the right at any time to make alterations, additions, repairs, deletions or improvements to the common areas or any other part of the improvements on the Premises; provided, that any such alterations or additions shall not materially adversely affect the functional utilization of the Premises for the purposes stated herein.

9. REPAIRS AND MAINTENANCE

9.1. **Subtenant Responsible for Maintenance and Repair**. Subtenant assumes full and sole responsibility for the condition, operation, repair and maintenance and management of the Premises from and after the Commencement Date and shall keep the Premises in good condition and repair. Sublandlord shall not be responsible for the performance of any repairs, changes or alterations to the Premises, nor shall Sublandlord be liable for any portion of the cost thereof. Subtenant shall make all repairs and replacements, interior and exterior, structural as well as non-structural, ordinary as well as extraordinary, foreseen and unforeseen, which may be necessary to maintain the Premises at all times in a clean, safe, attractive and sanitary condition and in good order and repair, to Sublandlord's and Master Landlord's reasonable satisfaction, provided, however, that neither Subtenant nor Sublandlord shall be required to make structural repairs or Alterations to correct conditions affecting the Premises existing prior to the Commencement Date. If any portion of the Premises is damaged by any activities conducted by Subtenant or Subtenant's Agents or Subtenant's Invitees hereunder, Subtenant shall immediately, at its sole cost, repair all such damage and restore the Premises to its previous condition.

9.2. **Utilities**. Sublandlord shall provide the basic utilities and services described in the attached Exhibit E (the "Standard Utilities and Services") to the Premises, subject to the terms and conditions contained therein. Subtenant shall be responsible for furnishing, at its sole cost, any utilities or services other than or in excess of the Standard Utilities and Services that Subtenant may need for its use of the Premises. Subtenant shall pay, without set off or counterclaim, all amounts due and owing for such Standard Utilities and Services at the rates provided in and as otherwise set forth in Exhibit E.

9.3. **Landscaping**. Subtenant shall maintain the exterior landscaping of the Premises in good condition and repair.

9.4. **Janitorial Services**. Subtenant shall provide all janitorial services for the Premises.

9.5. **Pest Control**. Subtenant shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times.

9.6. **Trash**. Subtenant shall deposit all trash into designated containers in the Premises in compliance with the Rules and Regulations attached hereto as Exhibit D. Subtenant shall pay for the removal of trash from the designated containers. Subtenant shall abide by all rules established by Sublandlord or Master Landlord for the handling of trash.

9.7. **No Right to Repair and Deduct**. Subtenant expressly waives the benefit of any existing or future Laws or judicial or administrative decision that would otherwise permit Subtenant to make repairs or replacements at Sublandlord's expense, or to terminate this Sublease because of Sublandlord's failure to keep the Premises or any part thereof in good order, condition or repair, or to abate or reduce any of Subtenant's obligations hereunder on account of the Premises or any part thereof being in need of repair or replacement. Without limiting the foregoing, Subtenant expressly waives the provisions of California Civil Code Sections 1932, 1941 and 1942 or any

similar Laws with respect to any right of Subtenant to terminate this Sublease and with respect to any obligations of Sublandlord hereunder or any right of Subtenant to make repairs or replacements and deduct the cost thereof from Rent.

10. LIENS

10.1. Liens. Subtenant shall keep the Premises free from any liens arising out of any work performed, material furnished or obligations incurred by or for Subtenant. In the event Subtenant does not, within five (5) days following the imposition of any such lien, cause the lien to be released of record by payment or posting of a proper bond, Sublandlord shall have in addition to all other remedies provided herein and by law or equity the right, but not the obligation, to cause the same to be released by such means as it shall deem proper, including, but not limited to, payment of the claim giving rise to such lien. All such sums paid by Sublandlord and all expenses it incurs in connection therewith (including, without limitation, reasonable attorneys' fees) shall be payable to Sublandlord by Subtenant upon demand. Sublandlord shall have the right at all times to post and keep posted on the Premises any notices permitted or required by law or that Sublandlord deems proper for its protection and protection of the Premises from mechanics' and materialmen's liens. Subtenant shall give Sublandlord at least fifteen (15) days' prior written notice of the commencement of any repair or construction on any of the Premises.

11. COMPLIANCE WITH LAWS

11.1. Compliance with Laws. Subtenant shall promptly, at its sole expense, maintain the Premises and Subtenant's use and operations thereon in strict compliance at all times with all present and future Laws, whether foreseen or unforeseen, ordinary as well as extraordinary; provided, however Subtenant shall not be required to make repairs or structural changes to the Premises required solely to correct conditions affecting the Premises existing prior to the Commencement Date or not related to Subtenant's use of the Premises, unless the requirement for such changes is imposed as a result of any Alterations made or requested to be made by Subtenant. Such Laws shall include, without limitation, all Laws relating to health and safety and disabled accessibility including, without limitation, the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et seq. and Title 24 of the California Code of Regulations, all present and future Environmental Laws (as defined in this Sublease below), and all applicable provisions of the San Francisco Environment Code. No occurrence or situation arising during the Term, nor any present or future Law, whether foreseen or unforeseen, and however extraordinary, shall give Subtenant any right to seek redress against Sublandlord for failing to comply with any Laws. Subtenant waives any rights now or hereafter conferred upon it by any existing or future Law to compel Sublandlord to make any repairs to comply with any such Laws, on account of any such occurrence or situation.

11.2. Regulatory Approvals; Responsible Party.

Subtenant understands and agrees that Subtenant's use of the Premises and construction of any Alterations permitted hereunder may require authorizations, approvals or permits from governmental regulatory agencies with jurisdiction over the Premises. Subtenant shall be solely

responsible for obtaining any and all such regulatory approvals, including without limitation, any liquor permits or approvals. Subtenant shall not seek any regulatory approval without first obtaining the written consent of Sublandlord. Subtenant shall bear all costs associated with applying for, obtaining and maintaining any necessary or appropriate regulatory approval and shall be solely responsible for satisfying any and all conditions imposed by regulatory agencies as part of a regulatory approval. Any fines or penalties levied as a result of Subtenant's failure to comply with the terms and conditions of any regulatory approval shall be immediately paid and discharged by Subtenant, and Sublandlord shall have no liability, monetary or otherwise, for any such fines or penalties. Subtenant shall indemnify, protect, defend and hold harmless forever ("Indemnify") Sublandlord, City and Master Landlord, including, but not limited to, all of their respective officers, directors, employees, agents, affiliates, subsidiaries, licensees, contractors, boards, commissions, departments, agencies and other subdivisions and each of the persons acting by, through or under each of them, and their respective heirs, legal representatives, successors and assigns, and each of them (the "Indemnified Parties"), against any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses") arising in connection with Subtenant's failure to obtain or comply with the terms and conditions of any regulatory approval.

11.3. Compliance with Sublandlord's Risk Management Requirements. Subtenant shall not do anything, or permit anything to be done, in or about the Premises or to any Alterations permitted hereunder that would create any unusual fire risk, and shall take commercially reasonable steps to protect Sublandlord from any potential premises liability. Subtenant shall faithfully observe, at its expense, any and all reasonable requirements of Sublandlord's Risk Manager with respect thereto and with the requirements of any policies of commercial general liability, all risk property or other policies of insurance at any time in force with respect to the Premises and any Alterations as required hereunder.

12. ENCUMBRANCES

Notwithstanding anything to the contrary contained in this Sublease, Subtenant shall not under any circumstances whatsoever create any mortgage, deed of trust, assignment of rents, fixture filing, security agreement, or similar security instrument, or other lien or encumbrance or assignment or pledge of an asset as security in any manner against the Premises or Sublandlord's or Subtenant's interest under this Sublease.

13. DAMAGE OR DESTRUCTION

13.1. Damage or Destruction to the Premises. In the case of damage to or destruction of the Premises by earthquake, fire, flood or any other casualty, which (i) is not caused by Subtenant or Subtenant's Agents or Subtenant's Invitees, (ii) is not covered by the insurance described in Section 17 below, (iii) prevents Subtenant from operating the Premises for the purposes stated herein, and (iv) costs more to repair than the Repair amount set forth in the Basic Lease Information, either party may terminate this Sublease upon thirty (30) days prior written notice and upon any such termination Subtenant shall surrender the Premises in accordance with Section 19 (except for damage caused by a casualty pursuant to which this Sublease may be

terminated under this Section 13.1) and both Parties shall be relieved of any liability for such termination or for repairing such damage. If neither Party terminates this Sublease as provided in this Section 13.1, then Subtenant shall, at its sole cost, promptly restore, repair, replace or rebuild the Premises to the condition the Premises were in prior to such damage or destruction, subject to any Alterations made in strict accordance with the requirements of Section 8.1 above. Under no circumstances shall Sublandlord have any obligation to repair, replace or rebuild the Premises in the event of a casualty.

13.2. **No Abatement in Rent**. In the event of any damage or destruction to the Premises, and if neither party terminates this Sublease as provided in Section 13.1 above, there shall be no abatement in the Rent payable hereunder.

13.3. **Waiver**. The Parties understand and agree that the foregoing provisions of this Section are intended to govern fully the rights and obligations of the Parties in the event of damage or destruction to the Premises or Alterations, and Sublandlord and Subtenant each hereby waives and releases any right to terminate this Sublease in whole or in part under Sections 1932.2 and 1933.4 of the Civil Code of California or under any similar Laws now or hereafter in effect, to the extent such rights are inconsistent with the provisions hereof.

14. ASSIGNMENT AND SUBLETTING

14.1. **Restriction on Assignment and Subletting**. Subtenant shall not directly or indirectly (including, without limitation, by merger, acquisition or other transfer of any controlling interest in Subtenant), voluntarily or by operation of Law, sell, assign, encumber, pledge, sublease or otherwise transfer any part of its interest in or rights with respect to the Premises, any Alterations or its interest in this Sublease, or permit any portion of the Premises to be occupied by anyone other than itself, or sublet any portion of the Premises (a "Transfer"), without Sublandlord's prior written consent in each instance, which Sublandlord may grant or withhold in its sole and absolute discretion. Subtenant shall provide Sublandlord with a written notice of its intention to Transfer this Sublease or the Premises, together with a copy of the proposed Transfer agreement at least thirty (30) days prior to the commencement date of the proposed Transfer. Subtenant shall provide Sublandlord with such information regarding the proposed Transfer as Sublandlord may reasonably request.

14.2. **Bonus Rental**. If Sublandlord consents to a Transfer of any of Subtenant's interest in or rights with respect to the Premises pursuant to Section 14.1 above, then one hundred percent (100%) of any rent or other consideration payable to Subtenant in excess of the Base Rent payable hereunder (or the proportionate share thereof applicable to the portion of the Premises that is subject to the Transfer) shall be paid to Sublandlord immediately upon receipt by Subtenant.

15. DEFAULT; REMEDIES

15.1. **Events of Default**. Any of the following shall constitute an event of default ("Event of Default") by Subtenant hereunder:

(a) **Failure to Pay Rent**. Any failure to pay any Rent or any other sums due hereunder, including sums due for utilities, within five (5) days after such sums are due;

(b) **Covenants, Conditions and Representations**. Any failure to perform or comply with any other covenant, condition or representation made under this Sublease; provided, Subtenant shall have a period of ten (10) days from the date of written notice from Sublandlord of such failure within which to cure such default under this Sublease, or, if such default is not capable of cure within such 10-day period, Subtenant shall have a reasonable period to complete such cure if Subtenant promptly undertakes action to cure such default within such 10-day period and thereafter diligently prosecutes the same to completion and uses its best efforts to complete such cure within sixty (60) days after the receipt of notice of default from Sublandlord;

(c) **Vacation or Abandonment**. Any abandonment of the Premises for more than fourteen (14) consecutive days;

(d) **Bankruptcy**. The appointment of a receiver to take possession of all or substantially all of the assets of Subtenant, or an assignment by Subtenant for the benefit of creditors, or any action taken or suffered by Subtenant under any insolvency, bankruptcy, reorganization, moratorium or other debtor relief act or statute, whether now existing or hereafter amended or enacted; and

(e) **Notices of Default**. The delivery to Subtenant of three (3) or more notices of default within any twelve (12) month period, irrespective of whether Subtenant actually cures such default within the specified time period, may, in the sole and absolute discretion of the Authority, be deemed an incurable breach of this Sublease allowing the Authority to immediately terminate this Sublease without further notice or demand to Subtenant.

15.2. Remedies. Upon the occurrence of an Event of Default by Subtenant, Sublandlord shall have the following rights and remedies in addition to all other rights and remedies available to Sublandlord at Law or in equity:

(a) **Terminate Sublease and Recover Damages**. The rights and remedies provided by California Civil Code Section 1951.2 (damages on termination for breach), including, but not limited to, the right to terminate Subtenant's right to possession of the Premises and to recover the worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of rental loss for the same period that Subtenant proves could be reasonably avoided, as computed pursuant to subsection (b) of such Section 1951.2. Sublandlord's efforts to mitigate the damages caused by Subtenant's breach of this Sublease shall not waive Sublandlord's rights to recover unmitigated damages upon termination.

(b) **Appointment of Receiver**. The right to have a receiver appointed for Subtenant upon application by Sublandlord to take possession of the Premises and to apply any rental collected from the Premises and to exercise all other rights and remedies granted to Sublandlord pursuant to this Sublease.

15.3. **Sublandlord's Right to Cure Subtenant's Defaults**. If Subtenant defaults in the performance of any of its obligations under this Sublease, then Sublandlord may at any time thereafter with three (3) days prior written notice (except in the event of an emergency as determined by Sublandlord where prior notice by Sublandlord is impractical), remedy such Event of Default for Subtenant's account and at Subtenant's expense. Subtenant shall pay to Sublandlord, as Additional Charges, promptly upon demand, all sums expended by Sublandlord, or other costs, damages, expenses or liabilities incurred by Sublandlord, including, without limitation, reasonable attorneys' fees, in remedying or attempting to remedy such Event of Default. Subtenant's obligations under this Section shall survive the termination of this Sublease. Nothing herein shall imply any duty of Sublandlord to do any act that Subtenant is obligated to perform under any provision of this Sublease, and Sublandlord's cure or attempted cure of Subtenant's Event of Default shall not constitute a waiver of Subtenant's Event of Default or any rights or remedies of Sublandlord on account of such Event of Default.

16. RELEASE AND WAIVER OF CLAIMS; INDEMNIFICATION

16.1. **Release and Waiver of Claims**. Subtenant, on behalf of itself and Subtenant's Agents, covenants and agrees that the Indemnified Parties shall not be responsible for or liable to Subtenant for, and, to the fullest extent allowed by any Laws, Subtenant hereby waives all rights against the Indemnified Parties and releases them from, any and all Losses, including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the Premises due to an earthquake or subsidence, except only to the extent such Losses are caused solely by the gross negligence or willful misconduct of the Indemnified Parties. Without limiting the generality of the foregoing:

(a) Subtenant expressly acknowledges and agrees that the Rent payable hereunder does not take into account any potential liability of the Indemnified Parties for any consequential or incidental damages including, but not limited to, lost profits arising out of disruption to Subtenant's uses hereunder. Sublandlord would not be willing to enter into this Sublease in the absence of a complete waiver of liability for consequential or incidental damages due to the acts or omissions of the Indemnified Parties, and Subtenant expressly assumes the risk with respect thereto. Accordingly, without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action for consequential and incidental damages and covenants not to sue the Indemnified Parties for such damages arising out of this Sublease or the uses authorized hereunder, including, without limitation, any interference with uses conducted by Subtenant pursuant to this Sublease regardless of the cause.

(b) Without limiting any indemnification obligations of Subtenant or other waivers contained in this Sublease and as a material part of the consideration for this Sublease, Subtenant fully RELEASES, WAIVES AND DISCHARGES forever any and all claims, demands, rights, and causes of action against, and covenants not to sue the Indemnified Parties under any present or future Laws, statutes, or regulations, including, but not limited to, any claim for inverse condemnation or the payment of just compensation under the law of eminent domain, or

otherwise at equity, in the event that Sublandlord terminates this Sublease because of such claim for inverse condemnation or eminent domain.

(c) As part of Subtenant's agreement to accept the Premises in its "As Is" condition as provided herein, and without limiting such agreement and any other waiver contained herein, Subtenant on behalf of itself and its successors and assigns, waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the physical or environmental condition of the Premises and any related improvements or any Laws or regulations applicable thereto or the suitability of the Premises for Subtenant's intended use.

(d) Subtenant acknowledges that it will not be a displaced person at the time this Sublease is terminated, and Subtenant fully RELEASES, WAIVES AND DISCHARGES the Indemnified Parties from any and all Losses and any and all claims, demands or rights against any of the Indemnified Parties under any present and future Laws, including, without limitation, any and all claims for relocation benefits or assistance from the Indemnified Parties under federal and state relocation assistance laws.

(e) Without limiting any other waiver contained herein, Subtenant, on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES, the Indemnified Parties from any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way connected with the Indemnified Parties' decision to Sublease the Premises to Subtenant, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Indemnified Parties.

(f) Subtenant covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Indemnified Parties any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 16.1.

(g) In executing these waivers and releases, Subtenant has not relied upon any representation or statement other than as expressly set forth herein.

(h) Subtenant had made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Subtenant regardless of any claims of mistake.

(i) In connection with the foregoing releases, Subtenant acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of**

executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Subtenant acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Subtenant realizes and acknowledges that it has agreed upon this Sublease in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Sublease.

16.2. **Subtenant's Indemnity**. Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties from and against any and all Losses arising out of Subtenant's use of the Premises, including but not limited to, any Losses arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Subtenant or Subtenant's Agents or Subtenant's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Subtenant's Agents and Subtenant's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Subtenant in the observation or performance of any of the terms, covenants or conditions of this Sublease to be observed or performed on Subtenant's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Subtenant, Subtenant's Agents or Subtenant's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) any construction or other work undertaken by Subtenant on or about the Premises; and (f) any acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees, in, on, or about the Premises or any Alterations, except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Sublease and further except only to the extent such Losses are caused solely by the gross negligence or intentional wrongful acts and omissions of the Indemnified Parties. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Sublandlord's costs of investigating any Loss. Subtenant specifically acknowledges and agrees that it has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter. Subtenant's obligations under this Section shall survive the expiration or sooner termination of this Sublease.

17. INSURANCE

17.1. **Required Insurance Coverage**. Subtenant, at its sole cost and expense, shall maintain, or cause to be maintained, through the Term of this Sublease, the following insurance:

(a) **General Liability Insurance**. Comprehensive or commercial general liability insurance, with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for contractual liability, independent contractors, broad form property damage, personal injury, products and completed

operations, fire damage and legal liability with limits not less than One Million Dollars ($1,000,000), explosion, collapse and underground (XCU).

(b) **Automobile Liability Insurance**. Comprehensive or business automobile liability insurance with limits not less than One Million Dollars ($1,000,000) each occurrence combined single limit for bodily injury and property damage, including coverages for owned and hired vehicles and for employer's non-ownership liability, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Subtenant's activity on the Premises or the Permitted Use.

(c) **Worker's Compensation and Employer's Liability Insurance**. If Subtenant has employees, Worker's Compensation Insurance in statutory amounts with Employer's Liability with limits not less than One Million Dollars ($1,000,000.00) for each accident, injury or illness, on employees eligible for each.

(d) **Personal Property Insurance**. Subtenant, at its sole cost and expense, shall procure and maintain on all of its personal property and Alterations, in, on, or about the Premises, property insurance on an all risk form, excluding earthquake and flood, to the extent of full replacement value. The proceeds from any such policy shall be used by Subtenant for the replacement of Subtenant's personal property.

(e) **Other Coverage**. Such other insurance or different coverage amounts as is required by law or as is generally required by commercial owners of property similar in size, character, age and location as the Premises, as may change from time to time, or as may be required by the City's Risk Manager.

17.2. **Claims-Made Policies**. If any of the insurance required in Section 17.1 above is provided under a claims-made form of policy, Subtenant shall maintain such coverage continuously throughout the Term and without lapse for a period of three (3) years beyond the termination of this Sublease, to the effect that should occurrences during the Term give rise to claims made after termination of this Sublease, such claims shall be covered by such claims-made policies.

17.3. **Annual Aggregate Limits**. If any of the insurance required in Section 17.1 above is provided under a form of coverage which includes an annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be double the occurrence limits specified herein.

17.4. **Payment of Premiums**. Subtenant shall pay the premiums for maintaining all required insurance.

17.5. **Waiver of Subrogation Rights**. Notwithstanding anything to the contrary contained herein, Sublandlord and Subtenant (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Facility or the Premises or any portion thereof or the contents of the same or any operation therein, whether or not such loss is caused by the fault or negligence of such other

party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Sublease or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Facility or the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

17.6. General Insurance Matters.

(a) All liability insurance policies required to be maintained by Subtenant hereunder shall contain a cross-liability clause, shall name as additional insureds the "THE TREASURE ISLAND DEVELOPMENT AUTHORITY, CITY AND COUNTY OF SAN FRANCISCO, THE UNITED STATES OF AMERICA, ACTING BY AND THROUGH THE DEPARTMENT OF THE NAVY, AND THEIR OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS," shall be primary to any other insurance available to the additional insureds with respect to claims arising under this Sublease, and shall provide that such insurance applies separately to each insured against whom complaint is made or suit is brought except with respect to the limits of the company's liability.

(b) All insurance policies required to be maintained by Subtenant hereunder shall be issued by an insurance company or companies reasonably acceptable to Sublandlord with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

(c) All insurance policies required to be maintained by Subtenant hereunder shall provide for thirty (30) days' prior written notice of cancellation for any reason, intended non-renewal, or reduction in coverage to Subtenant and Sublandlord. Such notice shall be given in accordance with the notice provisions of Section 21.1 below.

(d) Subtenant shall deliver to Sublandlord certificates of insurance and additional insured policy endorsements in a form satisfactory to Sublandlord evidencing the coverages required herein, together with evidence of payment of premiums, on or before the Commencement Date, and upon renewal of each policy not less than thirty (30) days before expiration of the term of the policy. Subtenant shall, upon Sublandlord's request, promptly furnish Sublandlord with a complete copy of any insurance policy required hereunder.

(e) Not more often than every year and upon not less than sixty (60) days' prior written notice, Sublandlord may require Subtenant to increase the insurance limits set forth in Section 17.1 above if Sublandlord finds in its reasonable judgment that it is the general commercial practice in San Francisco to carry insurance in amounts substantially greater than those amounts carried by Subtenant with respect to risks comparable to those associated with the use of the Premises.

(f) Subtenant's compliance with the provisions of this Section shall in no way relieve or decrease Subtenant's indemnification obligations herein or any of Subtenant's other obligations or liabilities under this Sublease.

(g) Notwithstanding anything to the contrary in this Sublease, Sublandlord may elect in Sublandlord's sole and absolute discretion to terminate this Sublease upon the lapse of any required insurance coverage by written notice to Subtenant.

18. ACCESS BY SUBLANDLORD

18.1. Access to Premises by Sublandlord.

(a) **General Access**. Sublandlord reserves for itself and Sublandlord's Agents, the right to enter the Premises and any portion thereof at all reasonable times upon not less than twenty-four (24) hours oral or written notice to Subtenant (except in the event of an emergency) for any purpose.

(b) **Emergency Access**. In the event of any emergency, as determined by Sublandlord, Sublandlord may, at its sole option and without notice, enter the Premises and alter or remove any Alterations or Subtenant's Personal Property on or about the Premises. Sublandlord shall have the right to use any and all means Sublandlord considers appropriate to gain access to any portion of the Premises in an emergency. In such case, Sublandlord shall not be responsible for any damage or injury to any such property, nor for the replacement of any such property and any such emergency entry shall not be deemed to be a forcible or unlawful entry onto or a detainer of, the Premises, or an eviction, actual or constructive, of Subtenant from the Premises or any portion thereof.

(c) **No Liability**. Sublandlord shall not be liable in any manner, and Subtenant hereby waives any claims, for any inconvenience, disturbance, loss of business, nuisance or other damage arising out of Sublandlord's entry onto the Premises, except damage resulting directly and exclusively from the gross negligence or willful misconduct of Sublandlord or Sublandlord's Agents and not contributed to by the acts, omissions or negligence of Subtenant, Subtenant's Agents or Subtenant's Invitees.

18.2. Access to Premises by Master Landlord. Subtenant acknowledges and agrees that Master Landlord shall have all of the rights of access to the Premises described in the Master Lease.

19. SURRENDER

19.1. Surrender of the Premises. Upon the termination of this Sublease, Subtenant shall surrender to Sublandlord the Premises in the same condition as of the Commencement Date, ordinary wear and tear excepted, and free and clear of all liens, easements and other encumbrances created or suffered by, through or under Subtenant. On or before any termination hereof, Subtenant shall, at its sole cost, remove any and all of Subtenant's Personal Property from the Premises and demolish and remove any and all Alterations from the Premises (except for any Alterations that Sublandlord agrees are to remain part of the Premises pursuant to the provisions of Section 8.3 above). In addition, Subtenant shall, at its sole expense, repair any damage to the Premises resulting from the removal of any such items and restore the Premises to their condition immediately prior to the presence of any Alterations. In connection therewith, Subtenant shall

obtain any and all necessary permits and approvals, including, without limitation, any environmental permits, and execute any manifests or other documents necessary to complete the demolition, removal or restoration work required hereunder. Subtenant's obligations under this Section shall survive the termination of this Sublease. Any items of Subtenant's Personal Property remaining on or about the Premises after the termination of this Sublease may, at Sublandlord's option and after thirty (30) days written notice to Subtenant, be deemed abandoned and in such case Sublandlord may dispose of such property in accordance with Section 1980, et seq., of the California Civil Code or in any other manner allowed by Law.

19.2. **No Holding Over**. If Subtenant fails to surrender the Premises to Sublandlord upon the termination of this Sublease as required by this Section, Subtenant shall Indemnify Sublandlord against all Losses resulting therefrom, including, without limitation, Losses made by a succeeding Subtenant resulting from Subtenant's failure to surrender the Premises. Subtenant shall have no right to hold over without the prior written consent of Sublandlord, which consent may be withheld in Sublandlord's sole and absolute discretion. If Sublandlord holds over the Premises or any part thereof after expiration or earlier termination of this Sublease, such holding over shall be terminable upon written notice by Sublandlord, and the Base Rent shall be increased to two hundred percent (200%) of the Base Rent in effect immediately prior to such holding over, and such holdover shall otherwise be on all the other terms and conditions of this Sublease. This Section shall not be construed as Sublandlord's permission for Subtenant to hold over. Acceptance of any holdover Base Rent by Sublandlord following expiration or termination of this Sublease shall not constitute an extension or renewal of this Sublease.

19.3. **Security Deposit**. Subtenant shall pay to Sublandlord upon execution of this Sublease a security deposit in the amount set forth in the Basic Sublease Information as security for the faithful performance of all terms, covenants and conditions of this Sublease. Subtenant agrees that Sublandlord may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Subtenant, Subtenant's Agents or Subtenant's Invitees, or any failure of Subtenant to perform any other terms, covenants or conditions contained in this Sublease, without waiving any of Sublandlord's other rights and remedies hereunder or at Law or in equity. Should Sublandlord use any portion of the security deposit to cure any Event of Default by Subtenant hereunder, Subtenant shall immediately replenish the security deposit to the original amount, and Subtenant's failure to do so within five (5) days of Sublandlord's notice shall constitute a material Event of Default under this Sublease. Sublandlord's obligations with respect to the security deposit are solely that of debtor and not trustee. Sublandlord shall not be required to keep the security deposit separate from its general funds, and Subtenant shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Subtenant's liability for the performance of any of its obligations under this Sublease. To the extent that Sublandlord is not entitled to retain or apply the security deposit pursuant to this Section 20.3, Sublandlord shall return such security deposit to Subtenant within forty-five (45) days of the termination of this Sublease.

20. HAZARDOUS MATERIALS

20.1. **No Hazardous Materials**. Subtenant covenants and agrees that neither Subtenant nor any of Subtenant's Agents or Subtenant's Invitees shall cause or permit any material that,

because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment, including, without limitation, any material or substance defined as a "hazardous substance," or "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA", also commonly known as the "Superfund" law), as amended (42 U.S.C. Sections 9601 et seq.), or pursuant to Section 25281 of the California Health & Safety Code; any "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the structure of any existing improvements on the Premises, or are naturally occurring substances on, in or about the Premises; and petroleum, including crude oil or any fraction thereof, and natural gas or natural gas liquids ("Hazardous Material") to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises or transported to or from the Premises without the prior written approval of Sublandlord, which approval may be withheld in Sublandlord's sole and absolute discretion. Subtenant shall immediately notify Sublandlord if and when Subtenant learns or has reason to believe there has been any release of Hazardous Material in, on or about the Premises. Sublandlord may from time to time request Subtenant to provide adequate information for Sublandlord to determine that any Hazardous Material permitted hereunder is being handled in compliance with all applicable federal, state or local Laws or policies relating to Hazardous Material (including, without limitation, its use, handling, transportation, production, disposal, discharge or storage) or to human health and safety, industrial hygiene or environmental conditions in, on, under or about the Premises and any other property, including, without limitation, soil, air and groundwater conditions ("Environmental Laws"), and Subtenant shall promptly provide all such information. Sublandlord and Sublandlord's Agents shall have the right to inspect the Premises for Hazardous Material and compliance with the provisions hereof at all reasonable times upon reasonable advance oral or written notice to Subtenant (except in the event of an emergency). Subtenant agrees that it shall comply, without limiting the foregoing, with the provisions of Article 21 of the San Francisco Health Code including, without limitation, regarding obtaining and complying with the requirements of an approved hazardous materials management plan, and with the requirements of the environmental protection provisions provided for in Section 13 of the Master Lease.

20.2. Subtenant's Environmental Indemnity. If Subtenant breaches any of its obligations contained in Section 20.1 above, or, if any act or omission or negligence of Subtenant or any of Subtenant's Agents or Subtenant's Invitees results in any spilling, leaking, pumping, pouring, emitting, discharging, injecting, escaping, leeching or dumping ("Release") of Hazardous Material in, on, under or about the Premises or the Property, without limiting Subtenant's general Indemnity contained in Section 16.2 above, Subtenant, on behalf of itself and Subtenant's Agents, shall Indemnify the Indemnified Parties, and each of them, from and against any and all enforcement, investigation, remediation or other governmental or regulatory actions, agreements or orders threatened, instituted or completed pursuant to any Environmental Laws together with any and all Losses made or threatened by any third party against Sublandlord, Sublandlord's Agents, or the Premises, relating to damage, contribution, cost recovery compensation, loss or injury resulting from the presence, Release or discharge of any Hazardous Materials, including, without limitation, Losses based in common law, investigation and remediation costs, fines, natural resource damages, damages for decrease in value of the Premises, the loss or restriction

of the use or any amenity of the Premises and attorneys' fees and consultants' fees and experts' fees and costs ("Hazardous Materials Claims") arising during or after the Term of this Sublease and relating to such Release. The foregoing Indemnity includes, without limitation, all costs associated with the investigation and remediation of Hazardous Material and with the restoration of the Premises or the Property to its prior condition including, without limitation, fines and penalties imposed by regulatory agencies, natural resource damages and losses, and revegetation of the Premises or other Sublandlord property. Without limiting the foregoing, if Subtenant or any of Subtenant's Agents or Subtenant's Invitees, causes or permits the Release of any Hazardous Materials in, on, under or about the Premises or the Property, Subtenant shall, immediately, at no expense to Sublandlord, take any and all appropriate actions to return the Premises or other Sublandlord property affected thereby to the condition existing prior to such Release and otherwise investigate and remediate the Release in accordance with all Environmental Laws. Subtenant shall provide Sublandlord with written notice of and afford Sublandlord a full opportunity to participate in any discussions with governmental regulatory agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree, permit, approvals, or other compromise or proceeding involving Hazardous Material.

20.3. Acknowledgment of Receipt of EBS and FOSL Reports. Subtenant hereby acknowledges for itself and Subtenant's Agents that, prior to the execution of this Sublease, it has received and reviewed the Environmental Baseline Survey ("EBS") and the Finding of Suitability to Lease ("FOSL") described in Section 7 of the Master Lease. California law requires landlords to disclose to tenants the presence or potential presence of certain Hazardous Materials. Accordingly, Subtenant is hereby advised that occupation of the Premises may lead to exposure to Hazardous Materials such as, but not limited to, gasoline, diesel and other vehicle fluids, vehicle exhaust, office maintenance fluids, tobacco smoke, methane and building materials containing chemicals, such as formaldehyde. Further, there are Hazardous Materials located on the Premises as described in the EBS and the FOSL. In addition, California's Proposition 65, Health and Safety Code Section 25249.6 et seq., requires notice that some of these Hazardous Materials are known by the State of California to cause cancer or reproductive harm. By execution of this Sublease, Subtenant acknowledges that the notices and warnings set forth above satisfy the requirements of California Health and Safety Code Sections 25249.6 et seq., 25359.7 and related statutes.

21. GENERAL PROVISIONS

21.1. Notices. Except as otherwise expressly provided in this Sublease, any notice given hereunder shall be effective only in writing and given by delivering the notice in person, or by sending it first class mail or certified mail with a return receipt requested or reliable commercial overnight courier, return receipt requested, with postage prepaid, to the appropriate addresses set forth in the Basic Sublease Information. Any Party hereunder may designate a new address for notice purposes hereunder at least ten (10) days prior to the effective date of such change. Any notice hereunder shall be deemed to have been given two (2) days after the date when it is mailed if sent by first class or certified mail, one day after the date it is made, if sent by commercial overnight carrier, or upon the date personal delivery is made, and any refusal by either Party to accept the attempted delivery of any notice, if such attempted delivery is in compliance with this Section 21.1 and applicable Laws, shall be deemed receipt of such notice.

21.2. **No Implied Waiver**. No failure by Sublandlord to insist upon the strict performance of any obligation of Subtenant under this Sublease or to exercise any right, power or remedy arising out of a breach thereof, irrespective of the length of time for which such failure continues, no acceptance of full or partial payment of Rent due hereunder during the continuance of any such breach, and no acceptance of the keys to or possession of the Premises prior to the expiration of the Term by any Agent of Sublandlord, shall constitute a waiver of such breach or of Sublandlord's right to demand strict compliance with such term, covenant or condition or operate as a surrender of this Sublease. No express written waiver of any default or the performance of any provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver. One or more written waivers of a default or the performance of any provision hereof shall not be deemed to be a waiver of a subsequent default or performance. The consent of Sublandlord given in any instance under the terms of this Sublease shall not relieve Subtenant of any obligation to secure the consent of Sublandlord in any other or future instance under the terms of this Sublease.

21.3. **Amendments**. Neither this Sublease nor any term or provision hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the Parties hereto.

21.4. **Authority**. If Subtenant signs as a corporation, a partnership or a limited liability company, each of the persons executing this Sublease on behalf of Subtenant does hereby covenant and warrant that Subtenant is a duly authorized and existing entity, that Subtenant has and is qualified to do business in California, that Subtenant has full right and authority to enter into this Sublease, and that each and all of the persons signing on behalf of Subtenant are authorized to do so. Upon Sublandlord's request, Subtenant shall provide Sublandlord with evidence reasonably satisfactory to Sublandlord confirming the foregoing representations and warranties. Without limiting the generality of the foregoing, Subtenant represents and warrants that it has full power to make the waivers and releases, indemnities and the disclosures set forth herein, and that it has received independent legal advice from its attorney as to the advisability of entering into a sublease containing those provisions and their legal effect.

21.5. **Joint and Several Obligations**. The word "Subtenant" as used herein shall include the plural as well as the singular. If there is more than one Subtenant, the obligations and liabilities under this Sublease imposed on Subtenant shall be joint and several.

21.6. **Interpretation of Sublease**. The captions preceding the articles and sections of this Sublease and in the table of contents have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Sublease. This Sublease has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the Parties, without any presumption against the party responsible for drafting any part of this Sublease. Provisions in this Sublease relating to number of days shall be calendar days, unless otherwise specified, provided that if the last day of any period to give notice, reply to a notice or to undertake any other action occurs on a Saturday, Sunday or a bank or Sublandlord holiday, then the last day for undertaking the action or giving or replying to the

notice shall be the next succeeding business day. Use of the word "including" or similar words shall not be construed to limit any general term, statement or other matter in this Sublease, whether or not language of non-limitation, such as "without limitation" or similar words, are used. Unless otherwise provided herein, whenever the consent of Sublandlord is required to be obtained by Subtenant hereunder, Sublandlord may give or withhold such consent in its sole and absolute discretion.

21.7. **Successors and Assigns**. Subject to the provisions of Section 14, the terms, covenants and conditions contained in this Sublease shall bind and inure to the benefit of Sublandlord and Subtenant and, except as otherwise provided herein, their personal representatives and successors and assigns; provided, however, that upon any transfer by Sublandlord (or by any subsequent Sublandlord) of its interest in the Premises as lessee, including any transfer by operation of Law, Sublandlord (or any subsequent Sublandlord) shall be relieved from all subsequent obligations and liabilities arising under this Sublease subsequent to such transfer.

21.8. **Brokers**. Neither party has had any contact or dealings regarding the leasing of the Premises, or any communication in connection therewith, through any licensed real estate broker or other person who could claim a right to a commission or finder's fee in connection with the Sublease contemplated herein. In the event that any broker or finder perfects a claim for a commission or finder's fee based upon any such contact, dealings or communication, the party through whom the broker or finder makes a claim shall be responsible for such commission or fee and shall Indemnify the other party from any and all Losses incurred by the indemnified party in defending against the same. The provisions of this Section shall survive any termination of this Sublease.

21.9. **Severability**. If any provision of this Sublease or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Sublease, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Sublease shall be valid and be enforceable to the fullest extent permitted by Law.

21.10. **Governing Law**. This Sublease shall be construed and enforced in accordance with the Laws of the State of California and the federal government.

21.11. **Entire Agreement**. This instrument (including the exhibits hereto, which are made a part of this Sublease) contains the entire agreement between the Parties and supersedes all prior written or oral negotiations, discussions, understandings and agreements. The Parties further intend that this Sublease shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts of this Sublease and any changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Sublease. Subtenant hereby acknowledges that neither Sublandlord nor Sublandlord's Agents have made any representations or warranties with respect to the Premises or this Sublease except as expressly set forth herein, and no rights, easements or licenses are or shall be acquired by Subtenant by implication or otherwise unless expressly set forth herein.

21.12. Attorneys' Fees. In the event that either Sublandlord or Subtenant fails to perform any of its obligations under this Sublease or in the event a dispute arises concerning the meaning or interpretation of any provision of this Sublease, the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party in enforcing or establishing its rights hereunder (whether or not such action is prosecuted to judgment), including, without limitation, court costs and reasonable attorneys' fees. For purposes of this Sublease, reasonable fees of attorneys in the Office of the San Francisco City Attorney (Sublandlord's General Counsel) shall be based on the fees regularly charged by private attorneys with the equivalent number of years of experience in the subject matter area of the law for which the City Attorney's services were rendered who practice in the City and County of San Francisco in law firms with approximately the same number of attorneys as employed by the Office of the City Attorney. Further, for purposes of this Sublease, the term "attorneys' fees" shall mean the fees and expenses of counsel to the Parties, which may include printing, duplicating and other expenses, air freight charges, hiring of experts, and fees billed for law clerks, paralegals, librarians and others not admitted to the bar but performing services under the supervision of an attorney. The term "attorneys' fees" shall also include, without limitation, all such fees and expenses incurred with respect to appeals, mediations, arbitrations, and bankruptcy proceedings, and whether or not any action is brought with respect to the matter for which such fees and costs were incurred. The term "attorney" shall have the same meaning as the term "counsel".

21.13. Time of Essence. Time is of the essence with respect to all provisions of this Sublease in which a definite time for performance is specified.

21.14. Cumulative Remedies. All rights and remedies of either party hereto set forth in this Sublease shall be cumulative, except as may otherwise be provided herein.

21.15. Survival of Indemnities. Termination of this Sublease shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Sublease, nor shall it affect any provision of this Sublease that expressly states it shall survive termination hereof. Subtenant specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Sublease, Subtenant has an immediate and independent obligation to defend Sublandlord and the other Indemnified Parties from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Subtenant by Sublandlord and continues at all times thereafter.

21.16. Relationship of Parties. Sublandlord is not, and none of the provisions in this Sublease shall be deemed to render Sublandlord, a partner in Subtenant's business, or joint venturer or member in any joint enterprise with Subtenant. This Sublease is not intended nor shall it be construed to create any third party beneficiary rights in any third party, unless otherwise expressly provided. The granting of this Sublease by Sublandlord does not constitute authorization or approval by Sublandlord of any activity conducted by Subtenant on, in or relating to the Premises.

21.17. Recording. Subtenant agrees that it shall not record this Sublease nor any memorandum or short form hereof in the official records of any county.

21.18. Non-Liability of Indemnified Parties' Officials, Employees and Agents. No elective or appointive board, commission, member, officer or employee of any of the Indemnified Parties shall be personally liable to Subtenant, its successors and assigns, in the event of any default or breach by Sublandlord or for any amount which may become due to Subtenant, its successors and assigns, or for any obligation of Sublandlord under this Sublease.

21.19. No Discrimination. Subtenant shall comply with the non-discrimination provisions of Section 19.1 of the Master Lease, including, without limitation, posting all notices required therein.

21.20. Counterparts. This Sublease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

21.21. Master Landlord's Consent. This Sublease is expressly conditioned upon receipt of the written consent of Master Landlord.

22. SPECIAL PROVISIONS

22.1. Signs. Subtenant agrees that it will not erect or maintain, or permit to be erected or maintained, any signs, notices or graphics upon or about the Premises which are visible in or from public corridors or other portions of any common areas of the Premises or from the exterior of the Premises, without Sublandlord's prior written consent, which Sublandlord may withhold or grant in its sole discretion.

22.2. Public Transit Information. Subtenant shall establish and carry on during the Term a program to encourage maximum use of public transportation by personnel of Subtenant employed on the Premises, including, without limitation, the distribution to such employees of written materials explaining the convenience and availability of public transportation facilities adjacent or proximate to the Premises and encouraging use of such facilities, all at Subtenant's sole expense.

22.3. TIHDI Job Broker. Subtenant shall comply with the requirements of the TIHDI Work Force Hiring Plan attached hereto as Exhibit F.

22.4. Local Hiring. Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

22.5. Non-Discrimination in City Contracts and Benefits Ordinance.

(a) **Covenant Not to Discriminate**. In the performance of this Sublease, Subtenant covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, weight, height or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with, Subtenant in any of Subtenant's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Subtenant.

(b) **Sub-Subleases and Other Subcontracts**. Subtenant shall include in all sub-subleases and other subcontracts relating to the Premises a non-discrimination clause applicable to such sub-subtenant or other subcontractor in substantially the form of subsection (a) above. In addition, Subtenant shall incorporate by reference in all sub-subleases and other subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all sub-subtenants and other subcontractors to comply with such provisions. Subtenant's failure to comply with the obligations in this subsection shall constitute a material breach of this Sublease.

(c) **Non-Discrimination in Benefits**. Subtenant does not as of the date of this Sublease and will not during the Term, in any of its operations or in San Francisco or with respect to its operations under this Sublease elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

(d) **HRC Form**. As a condition to this Sublease, Subtenant shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission (the "HRC"). Subtenant hereby represents that prior to execution of this Sublease, (i) Subtenant executed and submitted to the HRC Form HRC-128-101 with supporting documentation; and (ii) the HRC approved such form.

(e) **Incorporation of Administrative Code Provisions by Reference**. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the lease of City property are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Subtenant shall comply fully with and be bound by all of the provisions that apply to this Sublease under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Subtenant understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50.00) for each person for each calendar day during which such person was discriminated against in violation of the provisions

of this Sublease may be assessed against Subtenant and/or deducted from any payments due Subtenant.

22.6. MacBride Principles - Northern Ireland. The City urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Subtenant acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

22.7. Tropical Hardwood and Virgin Redwood Ban. The City urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood product. Except as expressly permitted by the application of Section 802(b) and 803(b) of the San Francisco Environment Code, Subtenant shall not provide any items to the construction of tenant improvements or Alterations in the Premises, or otherwise in the performance of this Sublease, which are tropical hardwoods, tropical hardwood wood products, virgin redwood, or virgin redwood wood products. In the event Subtenant fails to comply in good faith with any of the provisions of Chapter 8 of the San Francisco Environment Code, Subtenant shall be liable for liquidated damages for each violation in an amount equal to Subtenant's net profit on the contract, or five percent (5%) of the total amount of the contract dollars, whichever is greater.

22.8. Wages and Working Conditions. Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises.

22.9. Prohibition of Alcoholic Beverage Advertising. Subtenant acknowledges and agrees that no advertising of alcoholic beverages is allowed on the Premises. For purposes of this section, "alcoholic beverage" shall be defined as set forth in California Business and Professions Code Section 23004, and shall not include cleaning solutions, medical supplies and other products and substances not intended for drinking. This advertising prohibition includes the placement of the name of a company producing, selling or distributing alcoholic beverages or the name of any alcoholic beverage in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local, nonprofit or other entity designed to (i) communicate the health hazards of alcoholic beverages, (ii) encourage

people not to drink alcohol or to stop drinking alcohol, or (iii) provide or publicize drug or alcohol treatment or rehabilitation services.

22.10. Prohibition of Tobacco Sales and Advertising. Subtenant acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of Sublandlord or the City, including the Premises and the Property. This advertising prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This advertising prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

22.11. Pesticide Prohibition. Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which **(i)** prohibit the use of certain pesticides on City property, **(ii)** require the posting of certain notices and the maintenance of certain records regarding pesticide usage and **(iii)** require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that **(a)** lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, **(b)** describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and **(c)** identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

22.12. First Source Hiring Ordinance. The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring Implementation and Monitoring Plan in accordance with the First Source Hiring Ordinance, Subtenant shall enter into a First Source Hiring Agreement that meets the applicable requirements of Section 83.9 of the First Source Hiring Ordinance.

22.13. Sunshine Ordinance. In accordance with Section 67.24(e) of the San Francisco Administrative Code, contracts, contractors' bids, leases, agreements, responses to Requests for Proposals, and all other records of communications between City departments and persons or firms seeking contracts will be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person's or organization's net worth or other proprietary financial data submitted for qualification for a contract, lease, agreement or other benefit until and unless that person or organization is awarded the contract, lease, agreement or benefit. Information provided which is covered by this Section will be made available to the public upon request.

22.14. Conflicts of Interest. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and

Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provisions, and agrees that if Subtenant becomes aware of any such fact during the Term of this Sublease, Subtenant shall immediately notify Sublandlord.

22.15. Charter Provision. This Sublease is governed by and subject to the provisions of the Charter of the City and County of San Francisco.

22.16. Requiring Health Benefits for Covered Employees. Unless exempt, Subtenant agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated herein by reference and made a part of this Sublease as though fully set forth. The text of the HCAO is available on the web at http://www.sfgov.org/olse/hcao. Capitalized terms used in this Section and not defined in this Sublease shall have the meanings assigned to such terms in Chapter 12Q.

(a) For each Covered Employee, Subtenant shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Subtenant chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

(i) Subtenant shall provide Sublandlord with access to records pertaining to compliance with the HCAO after receiving a written request from Sublandlord to do so and being provided at least five (5) business days to respond.

(j) Sublandlord may conduct random audits of Subtenant to ascertain its compliance with HCAO. Subtenant agrees to cooperate with Sublandlord when it conducts such audits.

(k) If Subtenant is exempt from the HCAO when this Sublease is executed because its amount is less than Twenty-Five Thousand Dollars ($25,000) (or [Fifty Thousand Dollars ($50,000) if Subtenant is a qualified nonprofit), but Subtenant later enters into an agreement or agreements that cause Subtenant's aggregate amount of all agreements with Sublandlord to reach Seventy-Five Thousand Dollars ($75,000), all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Subtenant and the Contracting Department to be equal to or greater than Seventy-Five Thousand Dollars ($75,000) in the fiscal year.

22.17. Notification of Limitations on Contributions. Through its execution of this Sublease, Subtenant acknowledges that it is familiar with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City or a state agency on whose board an appointee of a City elective officer serves, for the selling or leasing of any land or building to or from the City or a state agency on whose board an appointee of a City elective officer serves, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six (6) months after the date the contract is approved. Subtenant acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Subtenant further acknowledges that the prohibition on contributions applies to each prospective party to the

contract; each member of Subtenant's board of directors; Subtenant's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Subtenant; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Subtenant. Additionally, Subtenant acknowledges that Subtenant must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Subtenant further agrees to provide Sublandlord the name of each person, entity or committee described above.

22.18. Preservation-Treated Wood Containing Arsenic. As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

22.19. Resource Efficient City Buildings and Pilot Projects. Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

22.20. Food Service Waste Reduction. Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

22.21. Estoppel Certificates. At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have

been modifications, that this Sublease is in full force and effect as modified and the date and nature of such modifications); (c) the dates to which the Rent has been paid; (d) that there are no Events of Default under this Sublease (or if there are any Events of Default, the nature of such Event of Default); and (e) any other matters reasonably requested by Sublandlord. Sublandlord and Subtenant intend that any such statement delivered pursuant to this paragraph may be relied upon by any assignee of Sublandlord's interest in the Master Lease or this Sublease, any mortgagee or any purchaser or prospective purchaser of the building or land on which the Premises are located. Subtenant irrevocably appoints Sublandlord, as Subtenant's agent, to execute and deliver in the name of Sublandlord any such instrument if Subtenant fails to do so, which failure shall also be an Event of Default under this Sublease.

22.22. Addendum. The terms of the Addendum, if any, attached to this Sublease are incorporated into the Sublease by reference. In the event of any inconsistency between the Sublease and the Addendum, the terms of the Addendum shall control.

22.23. Cooperative Drafting. This Sublease has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Sublease reviewed and revised by legal counsel. No party shall be considered the drafter of this Sublease, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Sublease.

Sublandlord and Subtenant have executed this Sublease in triplicate as of the date first written above.

SUBTENANT:

CATHOLIC CHARITIES CYO, a California nonprofit corporation

By: _____
Keith Spindle
Its: Director of Finance / CFO

SUBLANDLORD:

Treasure Island Development Authority

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

Sublease Prepared By: Richard A. Rovetti, Deputy Director of Real Estate _____
(initial)

EXHIBIT A

MASTER LEASE

EXHIBIT B

DIAGRAM OF PREMISES

EXHIBIT C

COVER PAGE OF THE SEISMIC REPORT

EXHIBIT D

RULES AND REGULATIONS

1. All rules and regulations set out in the Master Lease shall prevail.

2. No signs, advertisements, or notices shall be attached to, or placed on, the exterior or interior of the Building or elsewhere on the Property, without prior written approval of Sublandlord.

3. Subtenant's contractors and invitees, while on the Premises or Subtenant's parking area, shall be subject to these Rules and Regulations, and will be subject to direction from Sublandlord and its agents, but will not be an agent or contractor of the Sublandlord or its agents. Subtenant's contractors shall be licensed by the State, insured and bonded at the amount requested by the Sublandlord.

4. Subtenant shall install and maintain at Subtenant's expense, any life safety equipment required by governmental rules, regulations or laws to be kept on the Premises.

EXHIBIT E

STANDARD UTILITIES AND SERVICES AND RATES

Included

EXHIBIT F

TIHDI WORKFORCE HIRING AGREEMENT

EXHIBIT G

MEMORANDUM OF UNDERSTANDING
BETWEEN
TREASURE ISLAND DEVELOPMENT AUTHORITY AND
CATHOLIC CHARITIES CYO, a California nonprofit corporation

ADDENDUM TO SUBLEASE

This Addendum to Sublease is dated as of July 1, 2011, between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Sublandlord"), and CATHOLIC CHARITIES CYO, a California nonprofit corporation ("Subtenant"), relating to certain premises described in the Sublease.
This Addendum supersedes and replaces the terms of the Sublease to which it is attached to the extent of any inconsistency between the Sublease and this Addendum. All capitalized terms used in this Addendum and not defined herein shall have the meanings set forth in the Sublease.

Sublandlord and Subtenant agree as follows:

1. **Section 7.1(a).** A new Section 7.1(a) (Childcare Services) is hereby added to the Sublease, which states in its entirety as follows:

"**7.1(a). Childcare Services**. As a material condition to this Sublease, Subtenant shall use the Premises for the provision of childcare services for infant, toddler, and pre-school age children, all as described in that Memorandum of Understanding dated July 1, 2011 (the "MOU") between the Treasure Island Development Authority and Catholic Charities CYO, a California nonprofit corporation attached hereto and made a part hereof as Exhibit G. The MOU shall remain in effect for the term of this Sublease. If the MOU is terminated for any reason, Sublandlord shall have the right to terminate this Sublease by giving fourteen (14) days written notice of termination to Subtenant. Subtenant shall offer such childcare services to the residents and employees of Treasure Island and Yerba Buena Island as well as to residents of the greater City and County of San Francisco, with preference given to Treasure Island and Yerba Buena Island residents and employees. No other uses of the Premises are permitted without the prior written approval of the Director of Island Operations."

2. **Amended Section 9.3 – Landscaping.** Section 9.3 of the Sublease is hereby deleted in its entirety and replaced with the following:

"**9.3. Landscaping.** Sublandlord shall maintain the exterior landscaping of the Premises in good condition and repair."

3. **Amended Section 9.4 – Janitorial Services.** Section 9.4 of the Sublease is hereby deleted in its entirety and replaced with the following:

"**9.4. Janitorial Services**. Sublandlord shall provide all janitorial services for the Premises."

4. **Amended Section 9.5 – Pest Control.** Section 9.5 of the Sublease is hereby deleted in its entirety and replaced with the following:

"**9.5. Pest Control**. Sublandlord shall provide and pay for all pest control services required within the Premises, and shall keep the Premises free of all pests at all times."

Sublandlord and Subtenant have executed this Addendum to Sublease in triplicate as of the date first written above.

SUBTENANT:

CATHOLIC CHARITIES CYO, a California nonprofit corporation

By: _____
Keith Spindle
Its: Director of Finance / CFO

SUBLANDLORD:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: _____
Deputy City Attorney

FILE NO. _____ RESOLUTION NO._____

[Agreements with Catholic Charities CYO for Operation of Childcare Facility]

Resolution authorizing the Director of Island Operations to execute (i) a Memorandum of Understanding Between the Treasure Island Development Authority and Catholic Charities CYO, a California nonprofit corporation, for the purpose of obtaining full-day child care services in Building 502 for the period from July 1, 2011 to June 30, 2012; and (ii) Sublease No. 455 with Catholic Charities CYO for Building 502, Treasure Island commencing July 1, 2011 to November 30, 2011.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, In November 2009, the Authority, TIHDI, and DCYF met with the Executive Director of Catholic Charities CYO, a California nonprofit corporation (CCCYO), to inquire if they would be interested in running the childcare facility on Treasure Island; and,

WHEREAS, CCCYO agreed to operate the childcare facility as it aligns with their mission to serve the vulnerable population; and,

WHEREAS, At the January 13, 2010 Authority Board Meeting, the Authority Board approved (1) a six month Memorandum of Understanding (MOU) with CCCYO for the purpose of providing child care services at Building 502 on Treasure Island; (2) a $26,000 Grant Agreement to subsidize its operation of the child care facility; and (3) Sublease No. 220 with CCCYO for space in Building 502 for the child care facility (the "Premises"); and,

WHEREAS, On July 14, 2010, the Authority Board of Directors approved a new MOU through June 30, 2011, and the First Amendment to the Grant Agreement to continue funding the child care facility though June 30, 2011.

WHEREAS, CCCYO has operated the child care facility since January 2010, and Project Staff recommends that its child care operations continue, with the Authority taking responsibility for facility operating expenses related to utility, landscaping and janitorial services during the upcoming fiscal year in lieu of providing CCCYO with grant funding to offset these expenses; and.

WHEREAS, The Authority and CCCYO have negotiated a new MOU for a term commencing on July 1, 2011 and ending on June 30, 2012 that sets forth operating guidelines in order for CCCYO to provide full day, child care services to children 6 months to 5 years old in a licensed child care center located at Building 502; and,

WHEREAS, Project Staff and CCCYO have also negotiated a new Sublease commencing on July 1, 2011 and terminating on November 30, 2011 for Parcel A: approximately 10,123 square feet of classroom space located at Building 502; and Parcel B: approximately 33,977 square feet of land located adjacent thereto; and,

WHEREAS, Although the Authority will receive no monthly base rent for this Sublease, Authority staff believes CCCYO's public and community benefits represent fair market value for this Sublease at this time; now, therefore, be it

RESOLVED, That the Board of Directors hereby waives the monthly base rent and the security deposit for Sublease 455 as the Board of Directors finds that providing child care services to families on Treasure Island and Yerba Buena Island exceeds by far exceeds the fair market value of the sublease; and

RESOLVED, That the Board of Directors finds that it is within the best interest of the Treasure Island and Yerba Buena residents to provide the child care facility with operating expenses related to utility, landscaping and janitorial services during the upcoming fiscal year in lieu of providing CCCYO with grant funding to offset these expenses; and.

FURTHER RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations or her designee to execute the MOU between Authority and CCCYO commencing July 1, 2011, and ending on June 30, 2012 in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby approves and authorizes the Director of Island Operations or her designee to execute Sublease No. 455 with CCCYO for Building 502 to be effective retroactively commencing July 1, 2011 and terminating on November 30, 2011 in substantially the form attached hereto as Exhibit B; and, be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into these Agreements will serve the goals of the Authority, the 1996 Homeless Services Plan for Treasure Island, and the public interests of the City, and (ii) the terms and conditions of these Agreements are economically reasonable; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to these Agreements that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce

the rights of the Authority, and are necessary or advisable to complete the preparation and approval of these Agreements, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6G
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Rubicon Enterprises, Inc. to Provide Landscape Services for the period of July 1, 2011 through June 30, 2012, in an amount not to exceed $641,000

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

Rubicon Enterprises, Inc., a California nonprofit public benefit corporation ("Rubicon") and a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides services that increase economic opportunities for economically-disadvantaged people. For over thirteen years, Rubicon has been providing landscape services to Treasure and Yerba Buena Islands through its Landscape Services Division. Rubicon provides stable employment and livable wages to disabled and economically disadvantaged individuals from the San Francisco Bay Area. The Treasure Island operation has employed sixty-four (64) Rubicon Landscape employees through the TIHDI referral programs. Three TIHDI referrals have been promoted to the position of Lead Worker and three to the position of Supervisor. Other former employees have moved on to opportunities including working for SF Recreation and Parks Department, SF Conservation Corps and one has returned to school on a full-time basis.

The current landscaping services contract between the Treasure Island Development Authority (the "Authority") and Rubicon expires on June 30, 2011. The Authority and Rubicon have negotiated a new Professional Services Agreement (the "Agreement") for a month to month term for the period of July 1, 2011 through June 30, 2012, for a total not to exceed amount of $641,000. Routine and adjunct services are for five days a week for an amount not to exceed $51,500.00 per month totaling $618,000. An additional $23,000 is budgeted for contingency for unanticipated needs during the fiscal year.

The Treasure Island Development Authority Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and TIHDI. Staff believes Rubicon's mission, purpose, and program is consistent with the Homeless Assistance Agreement. Therefore, staff recommends Authority approve the Rubicon Agreement.

BUDGET IMPACT

The Professional Services Agreement provides Rubicon with an amount not to exceed $641,000 during FY 2011-2012. This amount reflects the same level of funding as last fiscal year for landscape services on the Island.

RECOMMENDATION

Project Staff recommends approval of the month-to-month contract for landscape services with Rubicon from July 1, 2011 through June 30, 2012 for an amount not to exceed $641,000.

EXHIBIT

EXHIBIT A: Professional Services Agreement between the Treasure Island Development Authority and Rubicon, Inc

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

Rubicon Enterprises, Inc.

This Agreement is made this 1ST day of July, 2011, in the City and County of San Francisco, State of California, by and between Rubicon, Inc., a California nonprofit public benefit corporation , hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and the Treasure Island Homeless Development Initiative ("TIHDI") including any TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan; and,

WHEREAS, the Authority wishes to procure landscape and grounds maintenance services at Naval Station Treasure Island; and,

WHEREAS, Landscape and grounds maintenance services are identified in the Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans; and,

WHEREAS, Contractor, a member organization of TIHDI, provides landscape and grounds maintenance services that increase economic opportunities for economically-disadvantaged people and people with disabilities; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. **Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation**

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2011 to June 30, 2012. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the tenth day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the final day of the immediately preceding month. In no event shall the amount of this Agreement exceed Six Hundred and Forty One Thousand Dollars ($641,000). The breakdown of costs associated with this Agreement appears in Appendix B, "Calculation of Charges," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. **Guaranteed Maximum Costs**

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. **Payment; Invoice Format**

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. **Submitting False Claims; Monetary Penalties**

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City and/or the Authority for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City and/or the Authority for a civil penalty of up to $10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City or the Authority if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City or the Authority a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City or the Authority; (c) conspires to defraud the City or the Authority by getting a false claim allowed or paid by the City; or the Authority; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City or the Authority; or (e) is a beneficiary of an inadvertent submission of a false claim to the City or the Authority, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City or Authority within a reasonable time after discovery of the false claim.

9. **Left blank by agreement of the parties (Disallowance)**

10. **Taxes**

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement, Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must provide the following:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Authority for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to Authority of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the following address:

Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Director of Island Operations

d. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

e. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

f. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

g. Before commencing any operations under this Agreement, Contractor shall furnish to Authority certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to Authority, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

h. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of Five Hundred Dollars ($500) per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority.

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement: 8, 10, 15, 24, 30, 37, 53, 55, 57, or 58.

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from Authority to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any

substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority on demand all costs and expenses incurred by Authority in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and Contractor all damages, losses, costs or expenses incurred by Authority as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

a. This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement: 8 through 11, 13 through 18, 24, 26, 27, 28, 48 through 52, 56, and 57.

b. Subject to the immediately preceding subsection (a), upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the Authority if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To Authority: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0299

To Contractor: **Rubicon Enterprises, Inc.**
154 So. 23rd St.
Richmond, CA. 94804
Attn: Rick Aubry, President
510.412.1751 – FAX
FEIN: 68-0353815

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software, reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time

designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the Authority may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle Authority, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this

Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or $1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City or the Authority.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2 (a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered

with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City and Authority premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least $250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor.

Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide to City the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. The City is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of

30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission.

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3 (e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure

to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than $75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. **First Source Hiring Agreement**

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal, or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and

implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year;

Therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot

measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48.

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including, without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Left blank by agreement of the parties (Supervision of Minors)

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City's and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Effective June 1, 2007, Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by the Authority because of Contractor's failure to comply with this provision.

60. Left blank by agreement of the parties (Slavery Era Disclosure)

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	CONTRACTOR RUBICON ENTERPRISES, INC.
By: _____ **Mirian Saez, Director of Island Operations Treasure Island** Approved as to Form: Dennis J. Herrera City Attorney By: _____ Deputy City Attorney	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. _____ **Rick Aubry, President**

Appendix

A: Landscape Budget for TIDA Service Areas

APPENDIX A
Landscape Budget for TIDA Service Areas

					Revised Scope -			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
1								
Gas Station	Weekly	Pick up fallen branches	146,725	0.37	26	10		
		Pick up litter	146,725	0.37	26	10		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	20,948	0.70	12	8		
		Blow hard surfaces and remove plant debris	129,777	1.26	12	15		
	Monthly	Edge and trim	446	0.90	0	0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	129,777	3.59	6	22		
	4 times annually	Prune shrubs/trees	3,000	3	4	12		
		Weed ground cover and/or rock slopes	8,625	2.88	4	12		
						88	$3,631	
2								
Navy Storage	Weekly	Pick up fallen branches	94,237	0.24	26	6		
		Pick up litter	94,237	0.24	26	6		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	3,378	0.11	12	1		
		Blow hard surfaces and remove plant debris	88,702	0.89	12	11		
	Monthly	Edge and trim	157	0.35	0	0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	85,384	2.44	6	15		
	4 times annually	Weed ground cover and/or rock slopes						
		Prune shrubs/trees	884	1	4	4		
						42	$1,758	
3A								
Fire School–From east sidewalk to sea wall	Weekly	Pick up fallen branches	34,628	0.09	26	2		
		Pick up litter	34,628	0.09	26	2		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.						
		Blow hard surfaces and remove plant debris	28,288	0.28	12	3		
	Monthly	Edge and trim						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	28,288	0.81	6	5		
	4 times annually	Prune shrubs/trees	1,579	2	4	6		
		Weed ground cover and/or rock slopes	6,240	2.08	4	8		
						27	$1,134	
3B								
8th St. Little League From sidewalk to sea wall	Weekly	Pick up fallen branches	28,530	0.07	26	2		
		Pick up litter	28,530	0.07	26	2		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.						
		Blow hard surfaces and remove plant debris	23,775	0.24	12	3		
	Monthly	Edge and trim						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	23,775	0.66	6	4		
	4 times annually	Prune shrubs/trees	2,210	2	4	9		
		Weed ground cover and/or rock slopes	4,755	1.59	4	6		
						26	$1,071	
4								
Tennis Courts, fenced off storage	Weekly	Pick up fallen branches	129,160	0.32	26	8		
		Pick up litter	129,160	0.32	26	8		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	79,371	2.65	12	32		

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope - Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
		Blow hard surfaces and remove plant debris	46,639	0.47	12	6		
	Monthly	Edge and trim	1,075	2.39	0	0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	46,639	1.33	6	8		
	4 times annually	Prune shrubs/trees	20,930	8	4	33		
		Weed ground cover and/or rock slopes	3,150	1.05	4	4		
						99	$4,117	
5								
4th St. Little League	Weekly	Pick up fallen branches	73,728	0.18	26	5		
Area west of field storage		Pick up litter	73,728	0.18	26	5		
containers and from	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	11,640	0.39	12	5		
pavement edge to slope		Blow hard surfaces and remove plant debris	56,118	0.56	12	7		
on the east side	Monthly	Edge and trim						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	56,118	1.60	6	10		
	4 times annually	Prune shrubs/trees	4,515	5	4	18		
		Weed ground cover and/or rock slopes	5,970	1.98	4	8		
						57	$2,346	
6								
Former bldg 233	Weekly	Pick up fallen branches	554,761	0.69	26	18		
and gravel triangle		Pick up litter	554,761	1.39	26	36		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.						
		Blow hard surfaces and remove plant debris	538,576	2.69	12	32		
	Monthly	Edge and trim						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	538,576	15.39	6	92		
	4 times annually	Prune shrubs/trees	937	1	4	4		
		Weed ground cover and/or rock slopes	16,185	5.40	4	22		
						204	$8,457	
7								
Pier	No Scope in this Area							
8								
PUC	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	102,469	2.93	6	18		
	4 times annually	Prune shrubs/trees	1,260	1	4	5		
		Blow hard surfaces and remove plant debris	102,469	1.02	4	4		
						27	$1,107	
9								
Brig	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	12,786	0.98	91	90		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	12,786	1.83	46	84		
		Pick up fallen branches turf	12,786	0.03	46	1		
		Pick up litter turf	12,786	0.03	46	1		
		Pick up fallen branches	77,165	0.19	26	5		
		Pick up litter	77,165	0.19	26	5		
		Blow hard surfaces and remove plant debris	64,648	0.65	26	17		

					Revised Scope - [illegible]			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	Bi-weekly	Trim and Edge	221	0.49	23	11		
		Non-irrigated lawn–Mow bi-weekly in the growing season.	7,309	0.24	12	3		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	64,648	1.85	6	11		
	4 times annually	Fertilize lawns	12,789	1	4	2		
		Prune shrubs/trees	1,162	1	4	6		
						235	$9,755	
10								
Behind Brig	Weekly	Pick up fallen branches	67,176	0.17	26	4		
		Pick up litter	67,176	0.17	26	4		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	2,528	0.08	12	1		
		Blow hard surfaces and remove plant debris	64,648	0.65	12	8		
	Monthly	Edge and trim	222	0.49	0	0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	64,648	1.85	6	11		
	4 times annually	Prune shrubs/trees						
						29	$1,185	
11								
bldg 264	Weekly	Pick up fallen branches	53,460	0.134	26	3		
		Pick up litter	53,460	0.134	26	3		
	Bi-weekly	Blow hard surfaces and remove plant debris	53,460	0.53	12	6		
	Monthly	Edge and trim	491	1.09	9	10		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	53,460	1.53	6	9		
	4 times annually	Prune shrubs/trees	495	0	4	2		
						34	$1,423	
12								
Shaw holding area	Weekly	Pick up fallen branches	71,206	0.18	26	5		
Perimeter only		Pick up litter	71,206	0.18	26	5		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	7,350	0.25	12	3		
	Monthly	Edge and trim	525	1.17	9	11		
		Blow hard surfaces and remove plant debris	63,856	0.64	12	8		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	63,856	1.82	6	11		
	4 times annually	Prune shrubs/trees	2,205	2	4	9		
						50	$2,077	
13								
Ship Shape	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	5,812	0.45	91	41		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	5,812	0.83	46	38		
		Pick up fallen branches turf	5,812	0.01	46	1		
		Pick up litter turf	5,812	0.01	46	1		
		Pick up fallen branches	135,180	0.34	26	9		
		Pick up litter	135,180	0.34	26	9		
		Blow hard surfaces and remove plant debris	135,180	1.35	26	35		
	Bi-weekly	Trim and Edge				0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	135,180	3.86	6	23		
	4 times annually	Fertilize lawns	5,812	0	4	1		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

					Revised Scope			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
		Prune shrubs/trees	2,549	3	4	10		
						167	$6,932	
14								
TI Gym	Twice weekly	Operate manual irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	44,181	1.39	91	126		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	44,181	6.31	46	290		
		Pick up fallen branches turf	44,181	0.11	46	5		
		Pick up litter turf	44,181	0.11	46	5		
		Pick up fallen branches	57,183	0.14	26	4		
		Pick up litter	57,183	0.14	26	4		
		Blow hard surfaces and remove plant debris	55,297	0.55	26	14		
	Bi-weekly	Trim and Edge	1,153	2.56	23	59		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	55,297	1.58	6	9		
	4 times annually	Fertilize lawns	44,181	2	4	7		
		Prune shrubs/trees	11,572	0.33	6	2		
						526	$21,786	
15								
Bldgs 260, 261, 401	Weekly	Pick up fallen branches	165,555	0.41	26	11		
Perimeter only		Pick up litter	165,555	0.41	26	11		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	4,657	0.67	12	8		
		Blow hard surfaces and remove plant debris	160,898	1.61	12	19		
	Monthly	Edge and trim	414	0.92	9	8		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	160,898	4.60	6	28		
	4 times annually	Prune shrubs/trees	2,088	0.06	4	0		
						85	$3,519	
16								
Old CC Meyers/	Weekly	Pick up fallen branches	429,374	0.54	26	14		
Old Compost Area		Pick up litter	429,374	1.07	26	28		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	159,985	5.33	12	64		
		Blow hard surfaces and remove plant debris	269,389	2.69	12	32		
	Monthly	Edge and trim						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	269,389	7.70	6	46		
	4 times annually	Prune shrubs/trees	7,080	7	4	28		
						213	$8,814	
17	Weekly	Pick up fallen branches	65,636	0.16	52	9		
Gravel area		Pick up litter	65,636	0.16	52	9		
	Bi-weekly	Blow hard surfaces and remove plant debris	57,572	0.58	12	7		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	57,572	1.64	6	10		
	4 times annually	Prune shrubs/trees	806	1	4	3		
						37	$1,536	
18								
bldgs 201, 202	Weekly	Pick up fallen branches	126,394	0.32	26	8		
perimeter of buildings		Pick up litter	126,394	0.32	26	8		

					Revised Scope			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	2,183	0.07	12	1		
		Blow hard surfaces and remove plant debris	124,211	1.24	12	15		
	Monthly	Edge and trim	160	0.36	9	3		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	124,211	3.55	6	21		
	4 times annually	Prune shrubs/trees	2,479	2	4	10		
		Groundcover						
						67	$2,760	
19								
CC MEYERS	Weekly	Pick up fallen branches						
Perimeter only		Pick up litter	102,966	0.26	26	7		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	102,966	0.26	26	7		
		Blow hard surfaces and remove plant debris	87,973	0.88	12	11		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	87,973	2.51	6	15		
	4 times annually	Prune shrubs/trees	11,245	11	4	45		
		Weed ground cover and/or rock slopes	14,993	5	4	20		
						104	$4,310	
20								
bldg 257								
across from Kidango	Weekly	Pick up fallen branches	65,518	0.16	26	4		
		Pick up litter	65,518	0.16	26	4		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	37,865	1.26	12	15		
		Blow hard surfaces and remove plant debris	27,653	0.28	12	3		
	Monthly	Edge and trim	1,283	2.85	6	17		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	27,653	0.79	4	3		
	4 times annually	Prune shrubs/trees	11,350	11	4	45		
						93	$3,841	
21								
bldgs 29, 229	Weekly	Pick up fallen branches	269,134	0.34	26	9		
		Pick up litter	269,134	0.67	26	9		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	68,124	2.27	12	3		
		Blow hard surfaces and remove plant debris	201,010	2.01	12	27		
	Monthly	Edge and trim	760	1.69	6	12		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	201,010	5.74	6	10		
	4 times annually	Prune shrubs/trees	6,705	7	4	23		
		Weed ground cover and/or rock slopes						
						98	$4,061	
22A								
Perimeter of little	Weekly	Pick up fallen branches	89,350	0.22	26	6		
league		Pick up litter	89,350	0.22	26	6		
	Bi-weekly	Blow hard surfaces and remove plant debris	73,975	0.74	12	9		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	73,975	2.11	6	13		
	4 times annually	Prune shrubs/trees	7,888	8	4	31		
		Weed ground cover and/or rock slopes	15,375	5	4	21		

- Landscape Budget for TIDA Service Areas -
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AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope - [illegible] Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
						84	$3,499	
22B								
Parkway along 9th	Weekly	Pick up fallen branches	14,552	0.04	26	1		
Street adjacent to Job		Pick up litter	14,552	0.04	26	1		
Corps	Bi-weekly	Blow hard surfaces and remove plant debris	13,064	0.13	12	2		
		Non-irrigated lawn–Mow bi-weekly in the growing season.						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	13,064	0.37	4	1		
	4 times annually	Prune shrubs/trees	744	1	4	3		
						8	$329	
22C								
Parkways along 9th	Monthly	Monitor irrigation systems and water areas without irrigation during dry season, as needed, monthly	13,116	0.82	9	7		
Street between Job	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	13,116	1.87	46	86		
Corps and 1400's		Pick up fallen branches turf	13,116	0.03	46	2		
		Pick up litter turf	13,116	0.03	46	2		
		Pick up fallen branches	44,007	0.06	46	3		
		Pick up litter	44,007	0.11	46	5		
	Bi-weekly	Trim and Edge	2,186	4.86	23	112		
		Blow hard surfaces and remove plant debris	44,007	0.44	26	11		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	44,007	1.26	6	8		
	4 times annually	Prune shrubs/trees	2,623	3	4	10		
		Fertilize lawns	13,116	1	4	2		
						248	$10,260	
23								
Legal Bldg	Weekly	Pick up fallen branches	105,050	0.53	26	14		
		Pick up litter	105,050	0.53	26	14		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	103,400	3.45	12	41		
		Blow hard surfaces and remove plant debris	1,650	0.02	12	0		
	Monthly	Edge and trim	1,861	4.14	9	37		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	1,650	0.05	6	0		
	4 times annually	Prune shrubs/trees	20,680	21	4	83		
						189	$7,837	
24								
Nimitz	Twice weekly	Operate manual irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	51,681	1.62	91	147		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	51,681	7.38	46	340		
		Pick up fallen branches turf	51,681	0.13	46	6		
		Pick up litter turf	51,681	0.13	46	6		
		Pick up fallen branches	43,434	0.11	46	5		
		Pick up litter	43,434	0.11	46	5		
		Blow hard surfaces and remove plant debris	43,434	0.43	26	11		
	Bi-weekly	Trim and Edge	398	0.68	23	20		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	43,434	1.24	6	7		

					Revised Scope -			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	4 times annually	Fertilize lawns	51,681	2.15	4	9		
		Prune shrubs/trees	25,841	26	4	103		
						660	$27,332	
25								
Tennis courts	Twice Weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	9,342	0.72	91	65		
	Weekly	Mow lawn areas, as needed, to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	9,342	1.33	46	61		
		Blow hard surfaces and remove plant debris, not including tennis courts	32,086	0.32	26	8		
		Pick up fallen branches turf	9,342	0.02	46	1		
		Pick up litter turf	9,342	0.02	46	1		
		Pick up fallen branches, including tennis courts	32,086	0.08	26	2		
		Pick up litter, including tennis courts	32,086	0.08	26	2		
		Trim and Edge	398	0.88	23	20		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces, not including tennis courts	32,086	0.92	6	6		
	4 times annually	Prune shrubs/trees	3,846	3.85	4	15		
		Fertilize lawns	9,342	0.38	4	2		
						184	$7,635	
26A								
TI School	Weekly	Pick up fallen branches	53,915	0.13	52	7		
		Pick up litter	53,915	0.13	52	7		
	Bi-weekly	Non-irrigated lawn--Mow bi-weekly in the growing season.	25,933	0.66	24	21		
		Blow hard surfaces and remove plant debris	27,982	0.28	24	7		
	Monthly	Edge and trim	826	1.84	9	17		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	27,982	0.80	6	5		
	4 times annually	Prune shrubs/trees	2,693	3	4	10		
						73	$3,032	
26B								
Trash Cans at Gaelic	Twice Weekly	Empty Trash Cans (2)	2	1	104	52		
Field		Disposal of Trash - Prorated Dumpster Cost	2	2	104			$783
						52	$2,155	
27								
Field at DPW storage	Weekly	Pick up fallen branches	46,628	0.12	26	3		
Perimeter Only		Pick up litter	46,628	0.12	26	3		
	Bi-weekly	Non-irrigated lawn--Mow bi-weekly in the growing season.	18,414	0.61	12	7		
		Blow hard surfaces and remove plant debris	28,214	0.26	12	3		
	Monthly	Edge and trim	544	1.21	9	11		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	28,214	0.81	6	5		
	4 times annually	Prune shrubs/trees						
						33	$1,348	
28								
Palm Park	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	53,926	4.15	91	377		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope - Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	53,926	2.70	46	124		
		Pick up fallen branches turf	53,926	0.13	46	6		
		Pick up litter turf	53,926	0.13	46	6		
		Pick up fallen branches	21,904	0.05	46	3		
		Pick up litter	21,904	0.05	46	3		
		Blow hard surfaces and remove plant debris	20,535	0.21	26	5		
	Bi-weekly	Trim and Edge	3,058	6.80	9	61		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	20,535	0.59	6	4		
	4 times annually	Fertilize lawns	53,926	2	4	9		
		Prune shrubs/trees	768	1	4	3		
						601	$24,908	
29A								
Star Barracks	Weekly	Pick up fallen branches	543,291	1.36	52	71		
		Pick up litter	543,291	1.36	52	71		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.	304,239	10.14	24	243		
		Blow hard surfaces and remove plant debris	239,052	2.39	26	62		
	Monthly	Edge and trim	9,230	5.13	9	46		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	239,052	6.83	6	41		
	4 times annually	Prune shrubs/trees	121,698	49	4	195		
		Weed ground cover and/or rock slopes						
						729	$30,197	
29B								
Great Lawn	Twice weekly	Hand water areas without irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	117,971	3.69	91	335		
		Monitor irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	39,324	2.46	9	22		
		Empty 6 trash cans	6	1.5	104	156		
		Disposal of Trash - Prorated Dumpster Cost	6	2		0		$2,350
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	157,295	7.86	46	362		
		Pick up fallen branches	316,940	0.40	46	18		
		Pick up litter	316,940	0.79	46	36		
		Blow hard surfaces and remove plant debris	138,445	1.38	26	36		
	Bi-weekly	Trim and Edge	2,832	6.29	9	57		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	138,445	3.96	6	24		
	4 times annually	Fertilize lawns	157,295	7	4	26		
		Prune shrubs/trees	4,500	5	4	18		
		Weed ground cover and/or rock slopes	21,200	7	4	28		
						1,119	$46,370	
29C								
Palm Avenue and sea wall from south end of	Twice weekly	Empty 4 trash cans	4	1.0	104	104		
		Disposal of Trash - Prorated Dumpster Cost	4	2		0		$1,567

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

					Revised Scope - F			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
Great Lawn to California Ave	Weekly	Pick up fallen branches	71,734	0.90	46	41		
California Ave		Pick up litter	71,734	0.90	46	41		
	Bi-weekly	Blow hard surfaces and remove plant debris	50,900	0.51	26	13		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	50,900	1.45	6	9		
	4 times annually	Weed rock slopes along sea wall	20,826	7	4	28		
						236	$9,790	
29D								
Fogwatch picnic area	Twice weekly	Empty 5 trash cans	5	1.3	104	130		
trash cans		Disposal of Trash - Prorated Dumpster Cost	5	2				$1,959
						130	$5,388	
30								
Parking next to	Twice weekly	Hand water areas without irrigation during dry season, as needed, up to twice weekly	38,054	2.93	91	266		
Star barracks	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	38,054	1.90	46	88		
		Pick up fallen branches turf	38,054	0.10	46	4		
		Pick up litter turf	38,054	0.10	46	4		
		Pick up fallen branches	152,588	0.19	26	5		
		Pick up litter	152,588	0.38	26	10		
		Blow hard surfaces and remove plant debris	141,013	1.41	26	37		
	Bi-weekly	Non-irrigated lawn--Mow bi-weekly in the growing season.	11,575	0.39	24	9		
		Trim and Edge						
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	141,013	4.03	6	24		
	4 times annually	Fertilize lawns	38,054	2	4	8		
		Prune shrubs/trees	5,049	5	4	20		
						474	$19,651	
31								
Park lot next to	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	Lawn is part of California Ave					
Library		Blow hard surfaces (streets only) and remove plant debris	21,680	0.22	26	6		
		Pick up fallen branches	165,312	3.00	46	138		
		Pick up litter	165,312	0.41	46	19		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	111,690	3.19	6	19		
	4 times annually	Prune shrubs/trees	13,431	13	4	54		
		Weed plant beds	53,722	18	4	72		
						307	$12,726	
32								
Bldg 1	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	15,329	0.48	91	44		
		Hand water areas without irrigation during dry season, as needed, up to twice weekly	5,110	0.39	91	36		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	15,329	4.38	46	201		
		Pick up fallen branches	163,127	0.41	46	19		
		Pick up litter	163,127	0.41	46	19		
		Blow hard surfaces and remove plant debris	134,188	1.34	26	35		
	Bi-weekly	Trim and Edge	584	1.30	12	16		
	Monthly	Prune shrubs/trees	4,086	4	9	37		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	134,188	3.83	6	23		
	4 times annually	Fertilize lawns	15,329	1	4	3		
		Weed ground cover and/or rock slopes	8,500	3	4	11		
						442	$18,338	
33								
Behind bldg 1	Twice weekly	Where irrigation is shown, hand water areas without irrigation during dry season, as needed, up to twice weekly	10,955	0.84	91	77		
(Note - California	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	10,955	1.56	46	72		
Avenue portion is in		Pick up fallen branches turf	10,955	0.03	46	1		
Area 37)		Pick up litter turf	10,955	0.03	46	1		
		Pick up fallen branches	73,043	0.18	46	8		
		Pick up litter	73,043	0.18	46	8		
	Bi-weekly	Non-irrigated lawn--Mow bi-weekly in the growing season.	3,101	0.10	24	2		
		Blow hard surfaces and remove plant debris	61,562	0.62	26	16		
	Monthly	Edge and trim	535	1.18	12	14		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	61,562	1.76	6	11		
	4 times annually	Prune shrubs/trees	10,541	11	4	42		
		Weed ground cover and/or rock slopes	8,380	2.79	4	11		
						265	$10,967	
34								
Bldg 180	Weekly	Pick up fallen branches	243,120	0.61	52	32		
(Note - California		Pick up litter	243,120	0.61	52	32		
Avenue portion is in	Bi-weekly	Blow hard surfaces and remove plant debris	235,140	2.35	26	61		
Area 37)	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	235,140	6.72	6	40		
	4 times annually	Prune shrubs/trees	3,959	4	4	16		
		Weed ground cover and/or rock slopes	7,980	2.66	4	11		
						191	$7,923	
35								
Hanger 2	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	14,016	0.44	91	40		
(Note - California	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	14,016	2.00	46	92		
Avenue portion is in		Pick up fallen branches turf	14,016	0.04	46	2		
Area 37)		Pick up litter turf	14,016	0.04	46	2		
		Pick up fallen branches	269,970	0.67	46	31		
		Pick up litter	269,970	0.67	46	31		
		Blow hard surfaces and remove plant debris	263,500	2.64	26	69		
	Bi-weekly	Trim and Edge	450	1.00	12	12		

					Revised Scope -			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
		Non-Irrigated lawn–Mow bi-weekly in the growing season.	12,500	0.42	24	10		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	263,500	7.53	6	45		
	4 times annually	Fertilize lawns	14,016	1	4	2		
		Prune shrubs/trees	10,400	10	4	42		
		Weed rock slopes along sea wall	6,470	2.16	4	9		
						386	$15,977	
36								
hanger 3	Weekly	Pick up fallen branches	267,203	0.67	46	31		
(Note - California		Pick up litter	267,203	0.67	46	31		
Avenue portion is in	Bi-weekly	Blow hard surfaces and remove plant debris	246,843	2.47	26	64		
Area 37)	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	246,843	7.05	6	42		
	4 times annually	Prune shrubs/trees	1,300	1	4	5		
		Weed rock slopes along sea wall	29,360	6.75	4	27		
						200	$8,301	
37								
Parkways along	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	81,957	2.56	91	233		
California Avenue	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	81,957	11.71	46	539		
		Pick up fallen branches turf	197,429	0.49	46	23		
		Pick up litter turf	197,429	0.49	46	23		
		Blow hard surfaces and remove plant debris	115,472	1.15	26	30		
	Bi-weekly	Trim and Edge	8,526	18.95	12	227		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	115,472	3.30	6	20		
	4 times annually	Fertilize lawns	81,957	3	4	14		
		Prune shrubs/trees	20,489	20	4	82		
						1,190	$49,310	
38								
Causeway	Three times weekly	Empty 10 trash cans at tourist stop and Clipper Cove	10	2.5	156	390		
		Disposal of Trash - Prorated Dumpster Cost	10	3	0	0		$5,876
		Pick up litter	231,083	0.58	156	90		
	Twice Weekly	Blow hard surfaces and remove plant debris	142,808	1.43	26	37		
		Monitor irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	59,325	4.56	9	41		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	59,325	8.48	46	390		
		Pick up fallen branches	231,083	0.59	46	27		
	Bi-weekly	Trim and Edge	1,138	2.53	12	30		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	142,808	4.08	6	24		
	4 times annually	Fertilize lawns	59,325	2	4	10		
		Prune shrubs/trees	2,015	2	4	8		
		Weed ground cover and/or rock slopes	28,950	9.65	4	39		
	3 times annually	Plant annuals plants for color under TI entry sign and circle bed in Causeway		30	2	60		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope - Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
		Furnish 50 Flats of Flowers, each color change	50	1,800	2			$3,600
		Detail flower beds	810	1.5	46	75		
						1,221	$50,586	
38 A								
Clipper Cove	Weekly	Pick up fallen branches	64,885	0.16	26	4		
		Pick up litter	64,885	0.16	26	4		
		Blow hard surfaces and remove plant debris	21,978	0.22	26	6		
	Twice Weekly	Empty 6 trash cans along path	6	1.5	104	156		
		Disposal of Trash - Prorated Dumpster Cost	6	2				$2,350
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	21,978	0.63	6	4		
	4 times annually	Weed ground cover and/or rock slopes			0	0		
		Prune trees/shrubs	17,271	17	4	69		
						243	$10,070	
39								
Perimeter Path	Weekly	Pick up fallen branches	171,000	0.43	26	11		
		Pick up litter	171,000	0.43	26	11		
		Blow hard surfaces and remove plant debris	54,000	0.54	26	14		
	Twice weekly	Empty 3 trash cans along path (Does not include those not accessible)	3	0.5	104	78		
		Disposal of Trash - Prorated Dumpster Cost	3	2				$1,175
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	54,000	1.54	6	9		
	4 times annually	Weed ground cover and/or rock slopes	117,000	39.00	4	156		
		Prune shrubs/trees						
						280	$11,684	
40								
Macalla Lawn	Weekly	Pick up fallen branches	71,188	0.36	26	9		
		Pick up litter	71,188	0.18	26	5		
	Bi-weekly	Blow hard surfaces and remove plant debris				0		
		Non-irrigated lawn--mow bi-weekly during growing season, as needed in the dormant season.	71,188	10.17	26	264		
	Monthly	Edge and trim				0		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.				0		
	4 times annually	Prune shrubs/trees	3,559	4	4	14		
						293	$12,123	
41								
Nimitz Road	Weekly	Pick up fallen branches	15,875	0.08	52	4		
		Pick up litter	15,875	0.04	52	2		
	Bi-weekly	Blow hard surfaces and remove plant debris	15,875	0.16	26	4		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	15,875	0.45	6	3		
	4 times annually	Weed ground cover and/or rock slopes for fire break	19,050	6	4	25		
		Prune trees/shrubs	19,050	19	4	76		
						115	$4,751	
42								
Macalla Court	Weekly	Pick up fallen branches	9,000	0.05	52	2		

					Revised Scope -			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
		Pick up litter	9,000	0.02	52	1		
	Bi-weekly	Blow hard surfaces and remove plant debris	9,000	0.09	26	2		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	9,000	0.26	6	2		
	4 times annually	Weed ground cover and/or rock slopes for fire break	14,400	5	4	19		
		Prune shrubs/trees	14,400	14	4	58		
						84	$3,489	
43								
Access Road	Weekly	Pick up fallen branches	10,000	0.05	12	1		
		Pick up litter	10,000	0.03	12	0		
	Bi-weekly	Blow hard surfaces and remove plant debris	10,000	0.10	12	1		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	10,000	0.29	6	2		
	4 times annually	Weed ground cover and/or rock slopes for fire break	7,500	9	4	38		
		Prune shrubs/trees	7,500	8	4	30		
						71	$2,955	
44								
Macalla Road	Weekly	Pick up fallen branches	77,610	0.39	52	20		
		Pick up litter	77,610	0.19	52	10		
	Bi-weekly	Blow hard surfaces and remove plant debris	77,610	0.78	26	20		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	77,610	2.22	6	13		
	4 times annually	Weed ground cover and/or rock slopes for fire break	17,156	21	4	86		
		Prune shrubs/trees	17,156	17	4	69		
						218	$9,041	
45								
Yerba Buena Road	Weekly	Pick up fallen branches	56,420	0.29	52	15		
		Pick up litter	56,420	0.14	52	7		
	Bi-weekly	Blow hard surfaces and remove plant debris	56,420	0.56	26	15		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	56,420	1.61	6	10		
	4 times annually	Weed ground cover and/or rock slopes for fire break	14,105	18	4	71		
		Prune shrubs/trees	14,105	14	4	56		
						173	$7,182	
46								
Forest Road	Weekly	Pick up fallen branches	33,100	0.17	26	4		
		Pick up litter	33,100	0.08	26	2		
	Bi-weekly	Blow hard surfaces and remove plant debris	33,100	0.33	12	4		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	33,100	0.95	6	6		
	4 times annually	Weed ground cover and/or rock slopes for fire break	6,205	8	4	31		
		Prune shrubs/trees	6,205	6	4	25		
						72	$2,982	
47								
Signal Road	Weekly	Pick up fallen branches	15,680	0.08	26	2		
		Pick up litter	15,680	0.04	26	1		
	Bi-weekly	Blow hard surfaces and remove plant debris	15,680	0.16	26	4		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	15,680	0.45	6	3		
	4 times annually	Weed ground cover and/or rock slopes for fire break	2,640	4	4	16		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
					Revised Scope - F			
		Prune shrubs/trees	2,940	3	4	12		
						36	$1,504	
48A								
TI Road	Weekly	Pick up fallen branches	45,540	0.23	52	12		
		Pick up litter	45,540	0.11	26	3		
	Bi-weekly	Blow hard surfaces and remove plant debris	45,540	0.46	12	5		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	45,540	1.30	6	8		
	4 times annually	Weed ground cover and/or rock slopes for fire break	7,590	9	4	38		
		Prune shrubs/trees	7,590	8	4	30		
						96	$3,994	
48B								
TI Road and Hillcrest Road	Weekly	Pick up fallen branches	64,410	0.32	52	17		
		Pick up litter	64,410	0.16	26	4		
	Bi-weekly	Blow hard surfaces and remove plant debris	64,410	0.64	12	8		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	64,410	1.84	6	11		
	4 times annually	Weed ground cover and/or rock slopes for fire break	10,735	13	4	54		
		Prune shrubs/trees	10,735	11	4	43		
						136	$5,649	
48C								
Northgate Drive	Weekly	Pick up fallen branches	55,620	0.28	52	14		
		Pick up litter	55,620	0.14	26	4		
	Bi-weekly	Blow hard surfaces and remove plant debris	55,620	0.56	12	7		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	55,620	1.59	6	10		
	4 times annually	Weed ground cover and/or rock slopes for fire break	9,270	12	4	46		
		Prune shrubs/trees	9,270	9	4	37		
						118	$4,878	
49								
Quarters 1-7	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	27,444	0.86	91	78		
	Weekly	Pick up fallen branches	39,174	0.20	46	9		
		Pick up litter	39,174	0.10	46	5		
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	27,444	3.92	46	180		
		Pick up fallen branches turf	27,444	0.07	46	3		
		Pick up litter turf	27,444	0.07	46	3		
	Bi-weekly	Non-irrigated lawn--Mow bi-weekly in the growing season.				0		
		Trim and Edge	720	1.80	9	14		
		Blow hard surfaces and remove plant debris	34,974	0.35	26	9		
	Monthly	Prune shrubs/trees	4,117	4	9	37		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	34,974	1.00	6	6		
	4 times annually	Weed ground cover and/or rock slopes for fire break	4,200	1	4	6		
		Fertilize lawns	27,444	1	4	5		
						355	$14,709	

					Revised Scope -			
AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
50								
Quarters 240	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	18,985	0.59	91	54		
	Weekly	Pick up fallen branches	13,102	0.07	46	3		
		Pick up litter	13,102	0.03	46	2		
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	18,985	2.71	46	125		
		Pick up fallen branches turf	18,985	0.05	46	2		
		Pick up litter turf	18,985	0.05	46	2		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly in the growing season.						
		Blow hard surfaces and remove plant debris	13,102	0.13	26	3		
		Trim and Edge	263	0.58	9	5		
	Monthly	Prune shrubs/trees	2,849	3	9	26		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	13,102	0.37	6	2		
		Weed ground cover and/or rock slopes						
						224	$9,290	
51								
Quarters 62	Twice Weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	1,874	0.06	0	0		
		Where irrigation is shown, hand water areas without irrigation during dry season, as needed, up to twice weekly	4,373	0.34	0	0		
	Weekly	Pick up fallen branches	11,335	0.06	26	1		
		Pick up litter	11,335	0.03	26	1		
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	6,247	0.89	0	0		
	Bi-weekly	Non-irrigated lawn–Mow bi-weekly during growing season	6,247	0.21	12	2		
		Blow hard surfaces and remove plant debris	4,000	0.13	12	2		
		Non-irrigated lawn–Mow bi-weekly during growing season				0		
		Trim and Edge				0		
	Monthly	Prune shrubs/trees	3,124	3	9	28		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.	4,000	0.11	6	1		
	4 times annually	Weed ground cover and/or rock slopes for fire break	1,088	0	4	1		
		Fertilize lawns	6,247	0	0	0		
						37	$1,516	
52								
Captains Park	Twice weekly	Manually operate irrigation systems and water areas without irrigation during dry season, as needed, up to twice weekly	8,400	0.26	91	24		
	Weekly	Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.	8,400	1.20	46	55		
		Pick up fallen branches turf	8,400	0.02	46	1		
		Pick up litter turf	8,400	0.02	46	1		
		Pick up fallen branches	680	0.00	46	0		
		Pick up litter	680	0.00	46	0		
		Rake sandbox and remove plant debris	680	0	46	10		
	Bi-weekly	Trim and Edge	240	0.53	24	13		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.						
		Remove weeds mechanically or by hand from sand box	680	1	6	5		

- Landscape Budget for TIDA Service Areas -
Rubicon Landscape Services

AREA #	ACTIVITY SCHEDULE	ACTIVITY DESCRIPTION	Area	Hrs	Revised Scope Freq	Total Hours per Year	Labor and Indirect Amount	Associated Direct Cost
	4 times annually	Fertilize lawns	8,400	0	4	1		
		Prune shrubs/trees	1,680	2	4	7		
						118	$4,878	
53								
Nimitz Road Park	Weekly	Pick up fallen branches	1,200	0.01	52	0		
		Pick up litter	1,200	0.00	52	0		
		Mow lawn areas, as needed to maintain turf at 2.5 to 3.5 inches. Weekly during the growing season, as needed in the dormant season.			0	0		
		Rake sandbox and remove plant debris	770	0	26	7		
	6 times annually	Spray and remove weeds mechanically or by hand from hard surfaces.			0	0		
		Remove weeds mechanically or by hand from sand box	770	1	6	6		
		Clear paths around sand box and adjacent benches	430	1	4	2		
						15	$624	
54								
Three Reservoirs	4 times annually	Cut back vegetation 20 feet from perimeter of buildings:						
		Adjacent to Tower Pk	9,940	12	4	50		
		Downhill from Yerba Buena Road	11,940	15	4	60		
		Adjacent to Macalla Rd, near access road	2,500	3	4	13		
						122	$5,052	
55								
Fire Break behind 300's	4 times annually	Cut back vegetation 40 feet from buildings	40,800	51	4	204		
						204	$8,454	
56								
Dumpster	Monthly	Empty 30 yard dumpster for TIHDI housing						$9,000
Not Allocated	As needed	Reserve for minor extra work such as fallen tree limbs, storm clean up, minor irrigation repair, etc.				438		
						438	$18,133	
					Total Cost		$641,000	

RESO LUTION NO.

[Rubicon Professional Services Agreement]

Resolution authorizing the Director of Island Operations to execute a Professional Services Agreement with Rubicon Enterprises, Inc. to provide landscape services for the period from July 1, 2011, to June 30, 2012 in an amount not to exceed $641,000.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997 (the "Act"), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency for Treasure Island in 1997; and,

WHEREAS, The City and County of San Francisco, as the predecessor Local Reuse Authority for the Base, negotiated a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property ("Homeless Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"), a consortium of nonprofit corporations organized to utilize the resources of the Base available to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority wishes to support TIHDI and its member organizations pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority's purchasing policy and procedures authorize non-competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, Rubicon Enterprises, Inc. currently provides landscape maintenance services to the Authority and the Authority has negotiated with Rubicon Enterprises, Inc. to reach agreement on the terms of a new Professional Services Agreement (the "Agreement") in an amount not to exceed Six Hundred and Forty One Thousand Dollars ($641,000), which (i) describes the scope of work for the services shown in Appendix B of the Agreement, and (ii) establishes the term of the Agreement for a month-to-month period commencing July 1, 2011 and expiring on June 30, 2012; and,

WHEREAS, Rubicon Enterprises, Inc., is a California nonprofit corporation and a member organization of TIHDI, and Rubicon Enterprises, Inc. represents and warrants that it

is qualified to perform the landscape services required by the Authority as set forth under the proposed Agreement; now, therefore, be it

RESOLVED, That the Authority hereby finds that Rubicon Enterprises, Inc. mission, purpose, and program is consistent with the Homeless Assistance Agreement; and

FURTHER RESOLVED, That the Authority hereby authorizes the Director of Island Operations to execute the Agreement with Rubicon Enterprises, Inc., effective July 1, 2011, for a month to month term expiring June 30, 2012 in an amount not to exceed $641,000 in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6H
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2011 and Expiring on June 30, 2012 in an amount not to exceed $120,000

Contact: Richard A. Rovetti, Deputy Director of Real Estate

Phone: (415) 274-3365

BACKGROUND

Toolworks, Inc. ("Toolworks"), a California nonprofit public benefit corporation and a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides training and employment development services that increase economic opportunities for economically-disadvantaged people with disabilities. One of Toolworks' programs is contractual janitorial services. For over 13 years, Toolworks has been providing janitorial services to the Treasure Island Development Authority ("Authority") through its janitorial division. Trainees are recruited through the TIHDI Job Broker Program and through the Homeless Employment Collaborative. The Authority Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and TIHDI. Therefore, the janitorial services contract with Toolworks has been awarded on a non-competitive negotiated basis.

Toolworks has developed a specific training program for Treasure Island. Toolworks has one fulltime supervisor dedicated to Treasure Island. This person trains and supervises the work of four trainees who work up to five hours a day, five days a week for 10 weeks. The trainees are then assisted in finding fulltime janitorial jobs. Toolworks gives priority placement in this program to Treasure Island residents.

Under the proposed contract, Toolworks will provide janitorial services to the Treasure Island Childcare Facility located at Building 502, and the Administration Building offices which consist of TIDA's Project Office and all Administration Building occupants, except the US Navy and the San Francisco Police Department. This is a "full service" contract, meaning Toolworks provides janitorial services as well as paper products, cleaning supplies and equipment. Routine services are for five days a week for an amount not to exceed $10,000 per month or $120,000 for the period from July 1, 2011 through June 30, 2012. Toolworks anticipates that wages may be

affected by the Minimum Compensation Ordinance during the term of this contract. In such an event, Staff will work with Toolworks to adjust the level of services provided to the Authority.

BUDGET IMPACT

Project Staff is recommending an increase to the Toolworks service contact of $17,400 as the Authority will provide janitorial services to the Treasure Island childcare facility during the upcoming fiscal year. The amount is offset by the elimination of grant funding to Catholic Charities CYO for operation expenses.

RECOMMENDATION

Staff recommends approval of the contract for janitorial services with Toolworks from July 1, 2011 through June 30, 2012 for an amount not to exceed $120,000.

EXHIBITS

Exhibit A: Professional Services Agreement between the Treasure Island Development Authority and Toolworks, Inc.

Prepared by: Richard A. Rovetti, Deputy Director of Real Estate
For: Mirian Saez, Director of Island Operations

EXHIBIT A
Treasure Island Development Authority
One Avenue of the Palms
Treasure Island
San Francisco, California 94130

Agreement between the Treasure Island Development Authority and

TOOLWORKS, INC.

This Agreement is made this 1ST day of July, 2011, in the City and County of San Francisco, State of California, by and between Toolworks, Inc., a California nonprofit public benefit corporation, hereinafter referred to as "Contractor," and the Treasure Island Development Authority, a nonprofit public benefit corporation hereinafter referred to as the "Authority," acting by and through its Director of Island Operations, hereinafter referred to as the "Director."

Recitals

WHEREAS, the Authority wishes to utilize the resources of the former Naval Station Treasure Island to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, the Authority wishes to procure janitorial services at Naval Station Treasure Island; and,

WHEREAS, Janitorial and other building maintenance services are identified in the Homeless Component of the Treasure Island Reuse Plan as one of the economic development opportunities available to assist homeless and other economically disadvantaged San Franciscans; and,

WHEREAS, The Authority's Purchasing Policy and Procedures authorize non-competitive negotiations for contracts that are in furtherance of the Homeless Assistance Agreement between the Authority and the Treasure Island Homeless Development Initiative ("TIHDI") including any TIHDI member organizations for contracts for economic development opportunities identified in the Reuse Plan; and,

WHEREAS, Contractor, a member organization of TIHDI, provides janitorial services that increase economic opportunities for economically-disadvantaged people and people with disabilities; and,

WHEREAS, Contractor represents and warrants that it is qualified to perform the services required by Authority as set forth under this Contract;

Now, THEREFORE, the parties agree as follows:

1. Certification of Funds; Budget and Fiscal Provisions; Termination in the Event of Non-Appropriation

This Agreement is subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco ("City"). Charges will accrue only after prior written authorization certified by the Controller, and the amount of the Authority's obligation hereunder shall not at any time exceed the amount certified for the purpose and period stated in such advance authorization.

This Agreement will terminate without penalty, liability or expense of any kind to the Authority at the end of any fiscal year if funds are not appropriated for the next succeeding fiscal year. If funds are appropriated for a portion of the fiscal year, this Agreement will terminate, without penalty, liability or expense of any kind at the end of the term for which funds are appropriated.

Authority has no obligation to make appropriations for this Agreement in lieu of appropriations for new or other agreements. Authority budget decisions are subject to the discretion of the Mayor, the Board of Supervisors and the Authority's Board of Directors. Contractor's assumption of risk of possible non-appropriation is part of the consideration for this Agreement.

THIS SECTION CONTROLS AGAINST ANY AND ALL OTHER PROVISIONS OF THIS AGREEMENT.

2. Term of the Agreement

Subject to Section 1, the term of this Agreement shall be for a month to month term from July 1, 2011 to June 30, 2012. Notwithstanding anything in this Agreement to the contrary, either party, in its sole discretion, may terminate this Agreement for any reason upon delivery of not less than thirty (30) days' prior written notice to the other party.

3. Effective Date of Agreement

This Agreement shall become effective when the Controller has certified to the availability of funds and Contractor has been notified in writing.

4. Services Contractor Agrees to Perform

The Contractor agrees to perform the services provided for in Appendix A, "Description of Services," attached hereto and incorporated by reference as though fully set forth herein.

5. Compensation

Compensation shall be made in monthly payments on or before the tenth day of each month for work, as set forth in Section 4 of this Agreement, that the Director of Island Operations, in his or her sole discretion, concludes has been performed as of the final day of the immediately preceding month. In no event shall the amount of this Agreement exceed One Hundred and Twenty Thousand Dollars and no cents ($120,000). The breakdown of costs associated with this Agreement appears in Appendix B, "General Services & Budget," attached hereto and incorporated by reference as though fully set forth herein.

No charges shall be incurred under this Agreement nor shall any payments become due to Contractor until reports, services, or both, required under this Agreement are received from Contractor and approved by the Authority as being in accordance with this Agreement. Authority may withhold payment to Contractor in any instance in which Contractor has failed or refused to satisfy any material obligation provided for under this Agreement.

In no event shall Authority be liable for interest or late charges for any late payments.

6. Guaranteed Maximum Costs

a. The Authority's obligation hereunder shall not at any time exceed the amount certified by the Controller for the purpose and period stated in such certification.

b. Except as may be provided by laws governing emergency procedures, officers and employees of the Authority are not authorized to request, and the Authority is not required to reimburse the Contractor for, Commodities or Services beyond the agreed upon contract scope unless the changed scope is authorized by amendment and approved as required by law.

c. Officers and employees of the Authority are not authorized to offer or promise, nor is the Authority required to honor, any offered or promised additional funding in excess of the maximum amount of funding for which the contract is certified without certification of the additional amount by the Controller.

d. The Controller is not authorized to make payments on any contract for which funds have not been certified as available in the budget or by supplemental appropriation.

7. Payment; Invoice Format

Invoices furnished by Contractor under this Agreement must be in a form acceptable to the Controller, and must include a unique invoice number. All amounts paid by Authority to Contractor shall be subject to audit by the Authority.

Payment shall be made by Authority to Contractor at the address specified in the section entitled "Notices to the Parties."

8. Submitting False Claims; Monetary Penalties

Pursuant to San Francisco Administrative Code §21.35, any contractor, subcontractor or consultant who submits a false claim shall be liable to the City for three times the amount of damages which the City sustains because of the false claim. A contractor, subcontractor or consultant who submits a false claim shall also be liable to the City and/or the Authority for the costs, including attorneys' fees, of a civil action brought to recover any of those penalties or damages, and may be liable to the City and/or the Authority for a civil penalty of up to $10,000 for each false claim. A contractor, subcontractor or consultant will be deemed to have submitted a false claim to the City or the Authority if the contractor, subcontractor or consultant: (a) knowingly presents or causes to be presented to an officer or employee of the City or the Authority a false claim or request for payment or approval; (b) knowingly makes, uses, or causes to be made or used a false record or statement to get a false claim paid or approved by the City or the Authority; (c) conspires to defraud the City or the Authority by getting a false claim allowed or paid by the City; or the Authority; (d) knowingly makes, uses, or causes to be made or used a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the City or the Authority; or (e) is a beneficiary of an inadvertent submission of a false claim to the City

or the Authority, subsequently discovers the falsity of the claim, and fails to disclose the false claim to the City or Authority within a reasonable time after discovery of the false claim.

9. Disallowance – Left blank by agreement of the parties

10. Taxes

a. Payment of any taxes, including possessory interest taxes and California sales and use taxes, levied upon or as a result of this Agreement, or the services delivered pursuant hereto, shall be the obligation of Contractor.

b. Contractor recognizes and understands that this Agreement may create a "possessory interest" for property tax purposes. Generally, such a possessory interest is not created unless the Agreement entitles the Contractor to possession, occupancy, or use of Authority property for private gain. If such a possessory interest is created, then the following shall apply:

(1) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that Contractor, and any permitted successors and assigns, may be subject to real property tax assessments on the possessory interest;

(2) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that the creation, extension, renewal, or assignment of this Agreement may result in a "change in ownership" for purposes of real property taxes, and therefore may result in a revaluation of any possessory interest created by this Agreement. Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report on behalf of the Authority to the County Assessor the information required by Revenue and Taxation Code section 480.5, as amended from time to time, and any successor provision.

(3) Contractor, on behalf of itself and any permitted successors and assigns, recognizes and understands that other events also may cause a change of ownership of the possessory interest and result in the revaluation of the possessory interest. (see, e.g., Rev. & Tax. Code section 64, as amended from time to time). Contractor accordingly agrees on behalf of itself and its permitted successors and assigns to report any change in ownership to the County Assessor, the State Board of Equalization or other public agency as required by law.

(4) Contractor further agrees to provide such other information as may be requested by the Authority to enable the Authority to comply with any reporting requirements for possessory interests that are imposed by applicable law.

11. Payment Does Not Imply Acceptance of Work

The granting of any payment by Authority, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Agreement may be rejected by Authority and in such case must be replaced by Contractor without delay.

12. Qualified Personnel

Work under this Agreement shall be performed only by competent personnel under the supervision of and in the employment of Contractor. Contractor will comply with Authority's reasonable requests regarding assignment of personnel, but all personnel, including those assigned at Authority's request, must be supervised by Contractor. Contractor shall commit adequate resources to complete the project within the project schedule specified in this Agreement.

13. Responsibility for Equipment

Authority shall not be responsible for any damage to persons or property as a result of the use, misuse or failure of any equipment used by Contractor, or by any of its employees, even though such equipment be furnished, rented or loaned to Contractor by Authority.

14. Independent Contractor; Payment of Taxes and Other Expenses

a. Independent Contractor

Contractor or any agent or employee of Contractor shall be deemed at all times to be an independent contractor and is wholly responsible for the manner in which it performs the services and work requested by Authority under this Agreement. Contractor or any agent or employee of Contractor shall not have employee status with Authority, nor be entitled to participate in any plans, arrangements, or distributions by Authority pertaining to or in connection with any retirement, health or other benefits that Authority may offer its employees. Contractor or any agent or employee of Contractor is liable for the acts and omissions of itself, its employees and its agents. Contractor shall be responsible for all obligations and payments, whether imposed by federal, state or local law, including, but not limited to, FICA, income tax withholdings, unemployment compensation, insurance, and other similar responsibilities related to Contractor's performing services and work, or any agent or employee of Contractor providing same. Nothing in this Agreement shall be construed as creating an employment or agency relationship between Authority and Contractor or any agent or employee of Contractor.

Any terms in this Agreement referring to direction from Authority shall be construed as providing for direction as to policy and the result of Contractor's work only, and not as to the means by which such a result is obtained. Authority does not retain the right to control the means or the method by which Contractor performs work under this Agreement.

b. Payment of Taxes and Other Expenses.

Should Authority, in its discretion, or a relevant taxing authority such as the Internal Revenue Service or the State Employment Development Division, or both, determine that Contractor is an employee for purposes of collection of any employment taxes, the amounts payable under this Agreement shall be reduced by amounts equal to both the employee and employer portions of the tax due (and offsetting any credits for amounts already paid by Contractor which can be applied against this liability). Authority shall then forward those amounts to the relevant taxing authority.

Should a relevant taxing authority determine a liability for past services performed by Contractor for Authority, upon notification of such fact by Authority, Contractor shall promptly remit such amount due or arrange with Authority to have the amount due withheld from future payments to Contractor under this Agreement (again, offsetting any amounts already paid by Contractor which can be applied as a credit against such liability).

A determination of employment status pursuant to the preceding two paragraphs shall be solely for the purposes of the particular tax in question, and for all other purposes of this Agreement,

Contractor shall not be considered an employee of Authority. Notwithstanding the foregoing, should any court, arbitrator, or administrative authority determine that Contractor is an employee for any other purpose, then Contractor agrees to a reduction in Authority's financial liability so that Authority's total expenses under this Agreement are not greater than they would have been had the court, arbitrator, or administrative authority determined that Contractor was not an employee.

15. Insurance

a. Without in any way limiting Contractor's liability pursuant to the "Indemnification" section of this Agreement, Contractor must maintain in force, during the full term of the Agreement, insurance in the following amounts and coverages:

(1) Workers' Compensation, in statutory amounts, with Employers' Liability Limits not less than $1,000,000 each accident, injury, or illness; and

(2) Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations; and

(3) Commercial Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage, including Owned, Non-Owned and Hired auto coverage, as applicable.

b. Commercial General Liability and Commercial Automobile Liability Insurance policies must be endorsed to provide:

(1) Name as Additional Insured the US Navy, the Treasure Island Development Authority, and the City and County of San Francisco, their Officers, Agents, and Employees.

(2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

c. Regarding Workers' Compensation, Contractor hereby agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Authority and the City for all work performed by the Contractor, its employees, agents and subcontractors.

d. All policies shall provide thirty (30) days' advance written notice to City of reduction or nonrenewal of coverages or cancellation of coverages for any reason. Notices shall be sent to the Authority address in the "Notices to the Parties" section.

e. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Agreement and, without lapse, for a period of three years beyond the expiration of this Agreement, to the effect that, should occurrences during the contract term give rise to claims made after expiration of the Agreement, such claims shall be covered by such claims-made policies.

f. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such general annual aggregate limit, such general annual aggregate limit shall be double the occurrence or claims limits specified above.

g. Should any required insurance lapse during the term of this Agreement, requests for payments originating after such lapse shall not be processed until the Authority receives satisfactory evidence of reinstated coverage as required by this Agreement, effective as of the lapse date. If insurance is not reinstated, the Authority may, at its sole option, terminate this Agreement effective on the date of such lapse of insurance.

h. Before commencing any operations under this Agreement, Contractor shall furnish to City certificates of insurance and additional insured policy endorsements with insurers with ratings comparable to A-, VIII or higher, that are authorized to do business in the State of California, and that are satisfactory to City, in form evidencing all coverages set forth above. Failure to maintain insurance shall constitute a material breach of this Agreement.

i. Approval of the insurance by Authority shall not relieve or decrease the liability of Contractor hereunder.

16. Indemnification

Contractor shall indemnify and save harmless Authority and its officers, agents and employees from, and, if requested, shall defend them against any and all loss, cost, damage, injury, liability, and claims thereof for injury to or death of a person, including employees of Contractor or loss of or damage to property, arising directly or indirectly from Contractor's performance of this Agreement, including, but not limited to, Contractor's use of facilities or equipment provided by Authority or others, regardless of the negligence of, and regardless of whether liability without fault is imposed or sought to be imposed on Authority, except to the extent that such indemnity is void or otherwise unenforceable under applicable law in effect on or validly retroactive to the date of this Agreement, and except where such loss, damage, injury, liability or claim is the result of the active negligence or willful misconduct of Authority and is not contributed to by any act of, or by any omission to perform some duty imposed by law or agreement on Contractor, its subcontractors or either's agent or employee. The foregoing indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any claims against the Authority.

In addition to Contractor's obligation to indemnify Authority, Contractor specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnification provision, even if the allegations are or may be groundless, false or fraudulent, which obligation arises at the time such claim is tendered to Contractor by Authority and continues at all times thereafter.

Contractor shall indemnify and hold Authority harmless from all loss and liability, including attorneys' fees, court costs and all other litigation expenses for any infringement of the patent rights, copyright, trade secret or any other proprietary right or trademark, and all other intellectual property claims of any person or persons in consequence of the use by Authority, or any of its officers or agents, of articles or services to be supplied in the performance of this Agreement.

17. Incidental and Consequential Damages

Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that Authority may have under applicable law.

18. Liability of Authority

AUTHORITY'S PAYMENT OBLIGATIONS UNDER THIS AGREEMENT SHALL BE LIMITED TO THE PAYMENT OF THE COMPENSATION PROVIDED FOR IN SECTION 5 OF THIS AGREEMENT. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, IN NO EVENT SHALL AUTHORITY BE LIABLE, REGARDLESS OF WHETHER ANY CLAIM IS BASED ON CONTRACT OR TORT, FOR ANY SPECIAL, CONSEQUENTIAL, INDIRECT OR INCIDENTAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST PROFITS, ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE SERVICES PERFORMED IN CONNECTION WITH THIS AGREEMENT.

19. Liquidated Damages

By entering into this Agreement, Contractor agrees that in the event the Services, as provided under Section 4 herein, are delayed beyond the scheduled milestones and timelines as provided in Appendix A, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of Five Hundred Dollars ($500) per day for each day of delay beyond scheduled milestones and timelines is not a penalty, but is a reasonable estimate of the loss that Authority will incur based on the delay, established in light of the circumstances existing at the time this contract was awarded. Authority may deduct a sum representing the liquidated damages from any money due to Contractor. Such deductions shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Contractor's failure to deliver to Authority within the time fixed or such extensions of time permitted in writing by the Authority..

20. Default; Remedies

a. Each of the following shall constitute an event of default ("Event of Default") under this Agreement:

(1) Contractor fails or refuses to perform or observe any term, covenant or condition contained in any of the following Sections of this Agreement:

8. Submitting false claims
10. Taxes
15. Insurance
24. Proprietary or confidential information of City
30. Assignment
37. Drug-free workplace policy,
53. Compliance with laws
55. Supervision of minors
57. Protection of private information
58. Graffiti removal

(2) Contractor fails or refuses to perform or observe any other term, covenant or condition contained in this Agreement, and such default continues for a period of ten days after written notice thereof from City to Contractor.

(3) Contractor (a) is generally not paying its debts as they become due, (b) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction, (c) makes an assignment for the benefit of its creditors, (d) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers of Contractor or of any substantial part of Contractor's property or (e) takes action for the purpose of any of the foregoing.

(4) A court or government authority enters an order (a) appointing a custodian, receiver, trustee or other officer with similar powers with respect to Contractor or with respect to any substantial part of Contractor's property, (b) constituting an order for relief or approving a petition for relief or reorganization or arrangement or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy, insolvency or other debtors' relief law of any jurisdiction or (c) ordering the dissolution, winding-up or liquidation of Contractor.

b. On and after any Event of Default, Authority shall have the right to exercise its legal and equitable remedies, including, without limitation, the right to terminate this Agreement or to seek specific performance of all or any part of this Agreement. In addition, Authority shall have the right (but no obligation) to cure (or cause to be cured) on behalf of Contractor any Event of Default; Contractor shall pay to Authority on demand all costs and expenses incurred by Authority in effecting such cure, with interest thereon from the date of incurrence at the maximum rate then permitted by law. Authority shall have the right to offset from any amounts due to Contractor under this Agreement or any other agreement between Authority and Contractor all damages, losses, costs or expenses incurred by Authority as a result of such Event of Default and any liquidated damages due from Contractor pursuant to the terms of this Agreement or any other agreement.

c. All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available hereunder or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

21. Termination for Convenience

a. Authority shall have the option, in its sole discretion, to terminate this Agreement, at any time during the term hereof, for convenience and without cause. Authority shall exercise this option by giving Contractor written notice of termination. The notice shall specify the date on which termination shall become effective.

b. Upon receipt of the notice, Contractor shall commence and perform, with diligence, all actions necessary on the part of Contractor to effect the termination of this Agreement on the date specified by Authority and to minimize the liability of Contractor and Authority to third parties as a result of termination. All such actions shall be subject to the prior approval of Authority. Such actions shall include, without limitation:

(1) Halting the performance of all services and other work under this Agreement on the date(s) and in the manner specified by Authority.

(2) Not placing any further orders or subcontracts for materials, services, equipment or other items.

(3) Terminating all existing orders and subcontracts.

(4) At Authority's direction, assigning to Authority any or all of Contractor's right, title, and interest under the orders and subcontracts terminated. Upon such assignment, Authority shall have the right, in its sole discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.

(5) Subject to Authority's approval, settling all outstanding liabilities and all claims arising out of the termination of orders and subcontracts.

(6) Completing performance of any services or work that Authority designates to be completed prior to the date of termination specified by Authority.

(7) Taking such action as may be necessary, or as the Authority may direct, for the protection and preservation of any property related to this Agreement which is in the possession of Contractor and in which Authority has or may acquire an interest.

c. Within 30 days after the specified termination date, Contractor shall submit to Authority an invoice, which shall set forth each of the following as a separate line item:

(1) The reasonable cost to Contractor, without profit, for all services and other work Authority directed Contractor to perform prior to the specified termination date, for which services or work Authority has not already tendered payment. Reasonable costs may include a reasonable allowance for actual overhead, not to exceed a total of 10% of Contractor's direct costs for services or other work. Any overhead allowance shall be separately itemized. Contractor may also recover the reasonable cost of preparing the invoice.

(2) A reasonable allowance for profit on the cost of the services and other work described in the immediately preceding subsection (1), provided that Contractor can establish, to the satisfaction of Authority, that Contractor would have made a profit had all services and other work under this Agreement been completed, and provided further, that the profit allowed shall in no event exceed 5% of such cost.

(3) The reasonable cost to Contractor of handling material or equipment returned to the vendor, delivered to the Authority or otherwise disposed of as directed by the Authority.

(4) A deduction for the cost of materials to be retained by Contractor, amounts realized from the sale of materials and not otherwise recovered by or credited to Authority, and any other appropriate credits to Authority against the cost of the services or other work.

d. In no event shall Authority be liable for costs incurred by Contractor or any of its subcontractors after the termination date specified by Authority, except for those costs specifically enumerated and described in the immediately preceding subsection (c). Such non-recoverable costs include, but are not limited to, anticipated profits on this Agreement, post-termination employee salaries, post-termination administrative expenses, post-termination overhead or unabsorbed overhead, attorneys' fees or other costs relating to the prosecution of a claim or lawsuit, prejudgment interest, or any other expense which is not reasonable or authorized under such subsection (c).

e. In arriving at the amount due to Contractor under this Section, Authority may deduct: (1) all payments previously made by Authority for work or other services covered by Contractor's final invoice; (2) any claim which Authority may have against Contractor in connection with this Agreement; (3) any invoiced costs or expenses excluded pursuant to the immediately preceding subsection (d); and (4) in instances in which, in the opinion of the Authority, the cost of any service or other work performed under this Agreement is excessively high due to costs incurred to remedy or replace defective or rejected services or other work, the difference between the invoiced amount and Authority's estimate of the reasonable cost of performing the invoiced services or other work in compliance with the requirements of this Agreement.

f. Authority's payment obligation under this Section shall survive termination of this Agreement.

22. Rights and Duties upon Termination or Expiration

This Section and the following Sections of this Agreement shall survive termination or expiration of this Agreement:

8. Submitting false claims
9. Disallowance
10. Taxes
11. Payment does not imply acceptance of work
13. Responsibility for equipment
14. Independent Contractor; Payment of Taxes and Other Expenses
15. Insurance
16. Indemnification
17. Incidental and Consequential Damages
18. Liability of City
24. Proprietary or confidential information of City
26. Ownership of Results
27. Works for Hire
28. Audit and Inspection of Records
48. Modification of Agreement.
49. Administrative Remedy for Agreement Interpretation.
50. Agreement Made in California; Venue
51. Construction
52. Entire Agreement
56. Severability
57. Protection of private information

Subject to the immediately preceding sentence, upon termination of this Agreement prior to expiration of the term specified in Section 2, this Agreement shall terminate and be of no further force or effect. Contractor shall transfer title to Authority, and deliver in the manner, at the times, and to the extent, if any, directed by Authority, any work in progress, completed work, supplies, equipment, and other materials produced as a part of, or acquired in connection with the performance of this Agreement, and any completed or partially completed work which, if this Agreement had been completed, would have been required to be furnished to Authority. This subsection shall survive termination of this Agreement.

23. Conflict of Interest

Through its execution of this Agreement, Contractor acknowledges that it is familiar with the provision of Section 15.103 of the City's Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which constitutes a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

24. Proprietary or Confidential Information of Authority

Contractor understands and agrees that, in the performance of the work or services under this Agreement or in contemplation thereof, Contractor may have access to private or confidential information which may be owned or controlled by Authority and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to Authority. Contractor agrees that all information disclosed by Authority to Contractor shall be held in confidence and used only in performance of the Agreement. Contractor shall exercise the same standard of care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

25. Notices to the Parties

Unless otherwise indicated elsewhere in this Agreement, all written communications sent by the parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: **Treasure Island Development Authority**
One Avenue of the Palms
Treasure Island
San Francisco, CA. 94130
Attn: Mirian Saez, Director of Island Operations
Fax: (415) 274-0299

To Contractor: **Toolworks, Inc.**
25 Kearny Street, Suite 400
San Francisco, CA. 94108
Attn: Steven Crabiel, Executive Director
FAX (415)733-0991

Any notice of default must be sent by registered mail.

26. Ownership of Results

Any interest of Contractor or its Subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Contractor or its subcontractors in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to Authority. However, Contractor may retain and use copies for reference and as documentation of its experience and capabilities.

27. Works for Hire

If, in connection with services performed under this Agreement, Contractor or its subcontractors create artwork, copy, posters, billboards, photographs, videotapes, audiotapes, systems designs, software,

reports, diagrams, surveys, blueprints, source codes or any other original works of authorship, such works of authorship shall be works for hire as defined under Title 17 of the United States Code, and all copyrights in such works are the property of the Authority. If it is ever determined that any works created by Contractor or its subcontractors under this Agreement are not works for hire under U.S. law, Contractor hereby assigns all copyrights to such works to the Authority, and agrees to provide any material and execute any documents necessary to effectuate such assignment. With the approval of the Authority, Contractor may retain and use copies of such works for reference and as documentation of its experience and capabilities.

28. Audit and Inspection of Records

Contractor agrees to maintain and make available to the Authority, during regular business hours, accurate books and accounting records relating to its work under this Agreement. Contractor will permit Authority to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, payrolls, records or personnel and other data related to all other matters covered by this Agreement, whether funded in whole or in part under this Agreement. Contractor shall maintain such data and records in an accessible location and condition for a period of not less than five years after final payment under this Agreement or until after final audit has been resolved, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Agreement shall have the same rights conferred upon Authority by this Section.

29. Subcontracting

Contractor is prohibited from subcontracting this Agreement or any part of it unless such subcontracting is first approved by Authority in writing. Neither party shall, on the basis of this Agreement, contract on behalf of or in the name of the other party. An agreement made in violation of this provision shall confer no rights on any party and shall be null and void.

30. Assignment

The services to be performed by Contractor are personal in character and neither this Agreement nor any duties or obligations hereunder may be assigned or delegated by the Contractor unless first approved by Authority by written instrument executed and approved in the same manner as this Agreement.

31. Non-Waiver of Rights

The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

32. Earned Income Credit (EIC) Forms

Administrative Code section 12O requires that employers provide their employees with IRS Form W-5 (The Earned Income Credit Advance Payment Certificate) and the IRS EIC Schedule, as set forth below. Employers can locate these forms at the IRS Office, on the Internet, or anywhere that Federal Tax Forms can be found.

a. Contractor shall provide EIC Forms to each Eligible Employee at each of the following times: (i) within thirty days following the date on which this Agreement becomes effective (unless

Contractor has already provided such EIC Forms at least once during the calendar year in which such effective date falls); (ii) promptly after any Eligible Employee is hired by Contractor; and (iii) annually between January 1 and January 31 of each calendar year during the term of this Agreement.

b. Failure to comply with any requirement contained in subparagraph (a) of this Section shall constitute a material breach by Contractor of the terms of this Agreement. If, within thirty days after Contractor receives written notice of such a breach, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty days, Contractor fails to commence efforts to cure within such period or thereafter fails to diligently pursue such cure to completion, the City may pursue any rights or remedies available under this Agreement or under applicable law.

c. Any Subcontract entered into by Contractor shall require the subcontractor to comply, as to the subcontractor's Eligible Employees, with each of the terms of this section.

d. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Section 12O of the San Francisco Administrative Code.

33. Local Business Enterprise Utilization; Liquidated Damages

a. The LBE Ordinance

Contractor, shall comply with all the requirements of the Local Business Enterprise and Non-Discrimination in Contracting Ordinance set forth in Chapter 14B of the San Francisco Administrative Code as it now exists or as it may be amended in the future (collectively the "LBE Ordinance"), provided such amendments do not materially increase Contractor's obligations or liabilities, or materially diminish Contractor's rights, under this Agreement. Such provisions of the LBE Ordinance are incorporated by reference and made a part of this Agreement as though fully set forth in this section. Contractor's willful failure to comply with any applicable provisions of the LBE Ordinance is a material breach of Contractor's obligations under this Agreement and shall entitle Authority, subject to any applicable notice and cure provisions set forth in this Agreement, to exercise any of the remedies provided for under this Agreement, under the LBE Ordinance or otherwise available at law or in equity, which remedies shall be cumulative unless this Agreement expressly provides that any remedy is exclusive. In addition, Contractor shall comply fully with all other applicable local, state and federal laws prohibiting discrimination and requiring equal opportunity in contracting, including subcontracting.

b. Compliance and Enforcement

(1) Enforcement

If Contractor willfully fails to comply with any of the provisions of the LBE Ordinance, the rules and regulations implementing the LBE Ordinance, or the provisions of this Agreement pertaining to LBE participation, Contractor shall be liable for liquidated damages in an amount equal to Contractor's net profit on this Agreement, or 10% of the total amount of this Agreement, or $1,000, whichever is greatest. The Director of the City's Human Rights Commission or any other public official authorized to enforce the LBE Ordinance (separately and collectively, the "Director of HRC") may also impose other sanctions against Contractor authorized in the LBE Ordinance, including declaring the Contractor to be irresponsible and ineligible to contract with the City for a period of up to five years or revocation of the Contractor's LBE certification. The Director of HRC will determine the sanctions to be imposed, including the amount of liquidated damages, after investigation pursuant to Administrative Code §14B.17.

By entering into this Agreement, Contractor acknowledges and agrees that any liquidated damages assessed by the Director of the HRC shall be payable to Authority upon demand. Contractor further acknowledges and agrees that any liquidated damages assessed may be withheld from any monies due to Contractor on any contract with City or the Authority.

Contractor agrees to maintain records necessary for monitoring its compliance with the LBE Ordinance for a period of three years following termination or expiration of this Agreement, and shall make such records available for audit and inspection by the Director of HRC or the Controller upon request.

34. Nondiscrimination; Penalties

a. Contractor Shall Not Discriminate

In the performance of this Agreement, Contractor agrees not to discriminate against any employee, City and County employee working with such contractor or subcontractor, applicant for employment with such contractor or subcontractor, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations, on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, height, weight, sex, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), or association with members of such protected classes, or in retaliation for opposition to discrimination against such classes.

b. Subcontracts

Contractor shall incorporate by reference in all subcontracts the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from Purchasing) and shall require all subcontractors to comply with such provisions. Contractor's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

c. Nondiscrimination in Benefits

Contractor does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, on real property owned by San Francisco, or where work is being performed for the City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in §12B.2(b) of the San Francisco Administrative Code.

d. Condition to Contract

As a condition to this Agreement, Contractor shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (form HRC-12B-101) with supporting documentation and secure the approval of the form by the San Francisco Human Rights Commission.

e. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapters 12B and 12C of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with and be bound by all of the provisions that apply to this Agreement under such Chapters, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Contractor understands that pursuant to §§12B.2(h) and 12C.3(g) of the San Francisco Administrative Code, a penalty of $50 for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Agreement may be assessed against Contractor and/or deducted from any payments due Contractor.

35. MacBride Principles—Northern Ireland

Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Contractor acknowledges and agrees that he or she has read and understood this section.

36. Tropical Hardwood and Virgin Redwood Ban

Pursuant to §804(b) of the San Francisco Environment Code, the City and County of San Francisco urges contractors not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

37. Drug-Free Workplace Policy

Contractor acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Contractor agrees that any violation of this prohibition by Contractor, its employees, agents or assigns will be deemed a material breach of this Agreement.

38. Resource Conservation

Chapter 5 of the San Francisco Environment Code ("Resource Conservation") is incorporated herein by reference. Failure by Contractor to comply with any of the applicable requirements of Chapter 5 will be deemed a material breach of contract.

39. Compliance with Americans with Disabilities Act

Contractor acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. Contractor shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Contractor agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Contractor, its employees, agents or assigns will constitute a material breach of this Agreement.

40. Sunshine Ordinance

In accordance with San Francisco Administrative Code §67.24(e), contracts, contractors' bids, responses to solicitations and all other records of communications between Authority and persons or firms seeking contracts, shall be open to inspection immediately after a contract has been awarded. Nothing in this provision requires the disclosure of a private person or organization's net worth or other proprietary financial data submitted for qualification for a contract or other benefit until and unless that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.

41. Public Access to Meetings and Records

If the Contractor receives a cumulative total per year of at least $250,000 in City funds or City-administered funds and is a non-profit organization as defined in Chapter 12L of the San Francisco Administrative Code, Contractor shall comply with and be bound by all the applicable provisions of that Chapter. By executing this Agreement, the Contractor agrees to open its meetings and records to the public in the manner set forth in §§12L.4 and 12L.5 of the Administrative Code. Contractor further agrees to make-good faith efforts to promote community membership on its Board of Directors in the manner set forth in §12L.6 of the Administrative Code. The Contractor acknowledges that its material failure to comply with any of the provisions of this paragraph shall constitute a material breach of this Agreement. The Contractor further acknowledges that such material breach of the Agreement shall be grounds for the Authority to terminate and/or not renew the Agreement, partially or in its entirety.

42. Limitations on Contributions

Through execution of this Agreement, Contractor acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, the board of a state agency on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Contractor acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of $50,000 or more. Contractor further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Contractor's board of directors; Contractor's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Contractor; any subcontractor listed in the bid or contract; and any committee that is sponsored or controlled by Contractor. Additionally, Contractor acknowledges that Contractor must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126. Contractor further agrees to provide Authority the names of each person, entity or committee described above.

43. Requiring Minimum Compensation for Covered Employees

a. Contractor agrees to comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Sections 12P.5 and 12P.5.1 of Chapter 12P are incorporated herein by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at www.sfgov.org/olse/mco. A partial listing of some of Contractor's obligations under the MCO is set forth

in this Section. Contractor is required to comply with all the provisions of the MCO, irrespective of the listing of obligations in this Section.

b. The MCO requires Contractor to pay Contractor's employees a minimum hourly gross compensation wage rate and to provide minimum compensated and uncompensated time off. The minimum wage rate may change from year to year and Contractor is obligated to keep informed of the then-current requirements. Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of the MCO and shall contain contractual obligations substantially the same as those set forth in this Section. It is Contractor's obligation to ensure that any subcontractors of any tier under this Agreement comply with the requirements of the MCO. If any subcontractor under this Agreement fails to comply, Authority may pursue any of the remedies set forth in this Section against Contractor.

c. Contractor shall not take adverse action or otherwise discriminate against an employee or other person for the exercise or attempted exercise of rights under the MCO. Such actions, if taken within 90 days of the exercise or attempted exercise of such rights, will be rebuttably presumed to be retaliation prohibited by the MCO.

d. Contractor shall maintain employee and payroll records as required by the MCO. If Contractor fails to do so, it shall be presumed that the Contractor paid no more than the minimum wage required under State law.

e. Authority is authorized to inspect Contractor's job sites and conduct interviews with employees and conduct audits of Contractor

f. Contractor's commitment to provide the Minimum Compensation is a material element of the Authority's consideration for this Agreement. The Authority in its sole discretion shall determine whether such a breach has occurred. The Authority and the public will suffer actual damage that will be impractical or extremely difficult to determine if the Contractor fails to comply with these requirements. Contractor agrees that the sums set forth in Section 12P.6.1 of the MCO as liquidated damages are not a penalty, but are reasonable estimates of the loss that the Authority and the public will incur for Contractor's noncompliance. The procedures governing the assessment of liquidated damages shall be those set forth in Section 12P.6.2 of Chapter 12P.

g. Contractor understands and agrees that if it fails to comply with the requirements of the MCO, the City and the Authority shall have the right to pursue any rights or remedies available under Chapter 12P (including liquidated damages), under the terms of the contract, and under applicable law. If, within 30 days after receiving written notice of a breach of this Agreement for violating the MCO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, the City and the Authority shall have the right to pursue any rights or remedies available under applicable law, including those set forth in Section 12P.6(c) of Chapter 12P. Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to the City or the Authority.

h. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the MCO.

i. If Contractor is exempt from the MCO when this Agreement is executed because the cumulative amount of agreements with this department for the fiscal year is less than $25,000, but Contractor later enters into an agreement or agreements that cause contractor to exceed that amount in a

fiscal year, Contractor shall thereafter be required to comply with the MCO under this Agreement. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between the Contractor and this department to exceed $25,000 in the fiscal year.

44. Requiring Health Benefits for Covered Employees

Contractor agrees to comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of section 12Q.5.1 Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth herein. The text of the HCAO is available on the web at www.sfgov.org/olse. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 12Q.

a. For each Covered Employee, Contractor shall provide the appropriate health benefit set forth in Section 12Q.3 of the HCAO. If Contractor chooses to offer the health plan option, such health plan shall meet the minimum standards set forth by the San Francisco Health Commission..

b. Notwithstanding the above, if the Contractor is a small business as defined in Section 12Q.3(e) of the HCAO, it shall have no obligation to comply with part (a) above.

c. Contractor's failure to comply with the HCAO shall constitute a material breach of this agreement. Authority shall notify Contractor if such a breach has occurred. If, within 30 days after receiving Authority's written notice of a breach of this Agreement for violating the HCAO, Contractor fails to cure such breach or, if such breach cannot reasonably be cured within such period of 30 days, Contractor fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, City and Authority shall have the right to pursue the remedies set forth in 12Q.5.1 and 12Q.5(f)(1-6). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to City or Authority.

d. Any Subcontract entered into by Contractor shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Contractor shall notify City's Office of Contract Administration when it enters into such a Subcontract and shall certify to the Office of Contract Administration that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Contractor shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the City and Authority may pursue the remedies set forth in this Section against Contractor based on the Subcontractor's failure to comply, provided that City or Authority has first provided Contractor with notice and an opportunity to obtain a cure of the violation.

e. Contractor shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying City or Authority with regard to Contractor's noncompliance or anticipated noncompliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

f. Contractor represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

g. Contractor shall maintain employee and payroll records in compliance with the California Labor Code and Industrial Welfare Commission orders, including the number of hours each employee has worked on the City Contract.

h. Contractor shall keep itself informed of the current requirements of the HCAO.

i. Contractor shall provide reports to the City and Authority in accordance with any reporting standards promulgated by the City under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

j. Contractor shall provide City and Authority with access to records pertaining to compliance with HCAO after receiving a written request from Authority to do so and being provided at least ten business days to respond.

k. Contractor shall allow City and Authority to inspect Contractor's job sites and have access to Contractor's employees in order to monitor and determine compliance with HCAO.

l. City and Authority may conduct random audits of Contractor to ascertain its compliance with HCAO. Contractor agrees to cooperate with City and/or Authority when it conducts such audits.

m. If Contractor is exempt from the HCAO when this Agreement is executed because its amount is less than $25,000 ($50,000 for nonprofits), but Contractor later enters into an agreement or agreements that cause Contractor's aggregate amount of all agreements with City or Authority to reach $75,000, all the agreements shall be thereafter subject to the HCAO. This obligation arises on the effective date of the agreement that causes the cumulative amount of agreements between Contractor and the City or Authority to be equal to or greater than $75,000 in the fiscal year.

45. First Source Hiring Program

a. Incorporation of Administrative Code Provisions by Reference

The provisions of Chapter 83 of the San Francisco Administrative Code are incorporated in this Section by reference and made a part of this Agreement as though fully set forth herein. Contractor shall comply fully with, and be bound by, all of the provisions that apply to this Agreement under such Chapter, including but not limited to the remedies provided therein. Capitalized terms used in this Section and not defined in this Agreement shall have the meanings assigned to such terms in Chapter 83.

b. First Source Hiring Agreement

As an essential term of, and consideration for, any contract or property contract with the City, not exempted by the FSHA, the Contractor shall enter into a first source hiring agreement ("agreement") with the City, on or before the effective date of the contract or property contract. Contractors shall also enter into an agreement with the City for any other work that it performs in the City. Such agreement shall:

(1) Set appropriate hiring and retention goals for entry level positions. The employer shall agree to achieve these hiring and retention goals, or, if unable to achieve these goals, to establish good faith efforts as to its attempts to do so, as set forth in the agreement. The agreement shall take into consideration the employer's participation in existing job training, referral and/or brokerage programs. Within the discretion of the FSHA, subject to appropriate modifications, participation in such programs maybe certified as meeting the requirements of this Chapter. Failure either to achieve the specified goal,

or to establish good faith efforts will constitute noncompliance and will subject the employer to the provisions of Section 83.10 of this Chapter.

(2) Set first source interviewing, recruitment and hiring requirements, which will provide the San Francisco Workforce Development System with the first opportunity to provide qualified economically disadvantaged individuals for consideration for employment for entry level positions. Employers shall consider all applications of qualified economically disadvantaged individuals referred by the System for employment; provided however, if the employer utilizes nondiscriminatory screening criteria, the employer shall have the sole discretion to interview and/or hire individuals referred or certified by the San Francisco Workforce Development System as being qualified economically disadvantaged individuals. The duration of the first source interviewing requirement shall be determined by the FSHA and shall be set forth in each agreement, but shall not exceed 10 days. During that period, the employer may publicize the entry level positions in accordance with the agreement. A need for urgent or temporary hires must be evaluated, and appropriate provisions for such a situation must be made in the agreement.

(3) Set appropriate requirements for providing notification of available entry level positions to the San Francisco Workforce Development System so that the System may train and refer an adequate pool of qualified economically disadvantaged individuals to participating employers. Notification should include such information as employment needs by occupational title, skills, and/or experience required, the hours required, wage scale and duration of employment, identification of entry level and training positions, identification of English language proficiency requirements, or absence thereof, and the projected schedule and procedures for hiring for each occupation. Employers should provide both long-term job need projections and notice before initiating the interviewing and hiring process. These notification requirements will take into consideration any need to protect the employer's proprietary information.

(4) Set appropriate record keeping and monitoring requirements. The First Source Hiring Administration shall develop easy-to-use forms and record keeping requirements for documenting compliance with the agreement. To the greatest extent possible, these requirements shall utilize the employer's existing record keeping systems, be nonduplicative, and facilitate a coordinated flow of information and referrals.

(5) Establish guidelines for employer good faith efforts to comply with the first source hiring requirements of this Chapter. The FSHA will work with City departments to develop employer good faith effort requirements appropriate to the types of contracts and property contracts handled by each department. Employers shall appoint a liaison for dealing with the development and implementation of the employer's agreement. In the event that the FSHA finds that the employer under a City contract or property contract has taken actions primarily for the purpose of circumventing the requirements of this Chapter, that employer shall be subject to the sanctions set forth in Section 83.10 of this Chapter.

(6) Set the term of the requirements.

(7) Set appropriate enforcement and sanctioning standards consistent with this Chapter.

(8) Set forth the City's obligations to develop training programs, job applicant referrals, technical assistance, and information systems that assist the employer in complying with this Chapter.

(9) Require the developer to include notice of the requirements of this Chapter in leases, subleases, and other occupancy contracts.

c. Hiring Decisions

Contractor shall make the final determination of whether an Economically Disadvantaged Individual referred by the System is "qualified" for the position.

d. Exceptions

Upon application by Employer, the First Source Hiring Administration may grant an exception to any or all of the requirements of Chapter 83 in any situation where it concludes that compliance with this Chapter would cause economic hardship.

e. Liquidated Damages

Contractor agrees:

(1) To be liable to the City and/or the Authority for liquidated damages as provided in this section;

(2) To be subject to the procedures governing enforcement of breaches of contracts based on violations of contract provisions required by this Chapter as set forth in this section;

(3) That the contractor's commitment to comply with this Chapter is a material element of the Authority's consideration for this contract; that the failure of the contractor to comply with the contract provisions required by this Chapter will cause harm to the Authority, City and the public which is significant and substantial but extremely difficult to quantity; that the harm to the Authority and City includes not only the financial cost of funding public assistance programs but also the insidious but impossible to quantify harm that this community and its families suffer as a result of unemployment; and that the assessment of liquidated damages of up to $5,000 for every notice of a new hire for an entry level position improperly withheld by the contractor from the first source hiring process, as determined by the FSHA during its first investigation of a contractor, does not exceed a fair estimate of the financial and other damages that the Authority and City suffers as a result of the contractor's failure to comply with its first source referral contractual obligations.

(4) That the continued failure by a contractor to comply with its first source referral contractual obligations will cause further significant and substantial harm to the City and the public, and that a second assessment of liquidated damages of up to $10,000 for each entry level position improperly withheld from the FSHA, from the time of the conclusion of the first investigation forward, does not exceed the financial and other damages that the City and Authority suffers as a result of the contractor's continued failure to comply with its first source referral contractual obligations;

(5) That in addition to the cost of investigating alleged violations under this Section, the computation of liquidated damages for purposes of this section is based on the following data:

A. The average length of stay on public assistance in San Francisco's County Adult Assistance Program is approximately 41 months at an average monthly grant of $348 per month, totaling approximately $14,379; and

B. In 2004, the retention rate of adults placed in employment programs funded under the Workforce Investment Act for at least the first six months of employment was 84.4%. Since qualified individuals under the First Source program face far fewer barriers to employment than their counterparts in programs funded by the Workforce Investment Act, it is reasonable to conclude that the average length of employment for an individual whom the First Source Program refers to an employer and who is hired in an entry level position is at least one year.

Therefore, liquidated damages that total $5,000 for first violations and $10,000 for subsequent violations as determined by FSHA constitute a fair, reasonable, and conservative attempt to quantify the harm caused to the City and/or the Authority by the failure of a contractor to comply with its first source referral contractual obligations.

(6) That the failure of contractors to comply with this Chapter, except property contractors, may be subject to the debarment and monetary penalties set forth in Sections 6.80 et seq. of the San Francisco Administrative Code, as well as any other remedies available under the contract or at law; and

(7) That in the event the City and/or the Authority is the prevailing party in a civil action to recover liquidated damages for breach of a contract provision required by this Chapter, the contractor will be liable for the City's and Authority's costs and reasonable attorneys fees.

Violation of the requirements of Chapter 83 is subject to an assessment of liquidated damages in the amount of $5,000 for every new hire for an Entry Level Position improperly withheld from the first source hiring process. The assessment of liquidated damages and the evaluation of any defenses or mitigating factors shall be made by the FSHA.

f. Subcontracts

Any subcontract entered into by Contractor shall require the subcontractor to comply with the requirements of Chapter 83 and shall contain contractual obligations substantially the same as those set forth in this Section.

46. Prohibition on Political Activity with City Funds

In accordance with San Francisco Administrative Code Chapter 12.G, Contractor may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Contractor agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by the City's Controller. The terms and provisions of Chapter 12.G are incorporated herein by this reference. In the event Contractor violates the provisions of this section, the City and the Authority may, in addition to any other rights or remedies available hereunder, (i) terminate this Agreement, and (ii) prohibit Contractor from bidding on or receiving any new City or Authority contract for a period of two (2) years. The Controller will not consider Contractor's use of profit as a violation of this section.

47. Preservative-treated Wood Containing Arsenic

Contractor may not purchase preservative-treated wood products containing arsenic in the performance of this Agreement unless an exemption from the requirements of Chapter 13 of the San Francisco Environment Code is obtained from the Department of the Environment under Section 1304 of the Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a

preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniacal copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Contractor may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of the Environment. This provision does not preclude Contractor from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

48. Modification of Agreement

This Agreement may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Agreement. Contractor shall cooperate with Department to submit to the Director of HRC any amendment, modification, supplement or change order that would result in a cumulative increase of the original amount of this Agreement by more than 20% (HRC Contract Modification Form).

49. Administrative Remedy for Agreement Interpretation

Should any question arise as to the meaning and intent of this Agreement, the question shall, prior to any other action or resort to any other legal remedy, be referred to Purchasing who shall decide the true meaning and intent of the Agreement.

50. Agreement Made in California; Venue

The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

51. Construction

All paragraph captions are for reference only and shall not be considered in construing this Agreement.

52. Entire Agreement

This contract sets forth the entire Agreement between the parties, and supersedes all other oral or written provisions. This contract may be modified only as provided in Section 48, "Modification of Agreement."

53. Compliance with Laws

Contractor shall keep itself fully informed of the City's Charter, codes, ordinances and regulations of the City and of all state, and federal laws in any manner affecting the performance of this Agreement, and must at all times comply with such local codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

54. Services Provided by Attorneys

Any services to be provided by a law firm or attorney must be reviewed and approved in writing in advance by the City Attorney. No invoices for services provided by law firms or attorneys, including,

without limitation, as subcontractors of Contractor, will be paid unless the provider received advance written approval from the City Attorney.

55. Supervision of Minors – Left blank by agreement of the parties

56. Severability

Should the application of any provision of this Agreement to any particular facts or circumstances be found by a court of competent jurisdiction to be invalid or unenforceable, then (a) the validity of other provisions of this Agreement shall not be affected or impaired thereby, and (b) such provision shall be enforced to the maximum extent possible so as to effect the intent of the parties and shall be reformed without further action by the parties to the extent necessary to make such provision valid and enforceable.

57. Protection of Private Information

Contractor has read and agrees to the terms set forth in San Francisco Administrative Code Sections 12M.2, "Nondisclosure of Private Information," and 12M.3, "Enforcement" of Administrative Code Chapter 12M, "Protection of Private Information," which are incorporated herein as if fully set forth. Contractor agrees that any failure of Contactor to comply with the requirements of Section 12M.2 of this Chapter shall be a material breach of the Contract. In such an event, in addition to any other remedies available to it under equity or law, the City may terminate the Contract, bring a false claim action against the Contractor pursuant to Chapter 6 or Chapter 21 of the Administrative Code, or debar the Contractor.

58. Graffiti Removal

Graffiti is detrimental to the health, safety and welfare of the community in that it promotes a perception in the community that the laws protecting public and private property can be disregarded with impunity. This perception fosters a sense of disrespect of the law that results in an increase in crime; degrades the community and leads to urban blight; is detrimental to property values, business opportunities and the enjoyment of life; is inconsistent with the City and Authority's property maintenance goals and aesthetic standards; and results in additional graffiti and in other properties becoming the target of graffiti unless it is quickly removed from public and private property. Graffiti results in visual pollution and is a public nuisance. Graffiti must be abated as quickly as possible to avoid detrimental impacts on the City and County and its residents, and to prevent the further spread of graffiti.

Contractor shall remove all graffiti from any real property owned or leased by Contractor in the City and County of San Francisco within forty eight (48) hours of the earlier of Contractor's (a) discovery or notification of the graffiti or (b) receipt of notification of the graffiti from the Department of Public Works. This section is not intended to require a Contractor to breach any lease or other agreement that it may have concerning its use of the real property. The term "graffiti" means any inscription, word, figure, marking or design that is affixed, marked, etched, scratched, drawn or painted on any building, structure, fixture or other improvement, whether permanent or temporary, including by way of example only and without limitation, signs, banners, billboards and fencing surrounding construction sites, whether public or private, without the consent of the owner of the property or the owner's authorized agent, and which is visible from the public right-of-way. "Graffiti" shall not include: (1) any sign or banner that is authorized by, and in compliance with, the applicable requirements of the San Francisco Public Works Code, the San Francisco Planning Code or the San Francisco Building Code; or (2) any mural or other painting or marking on the property that is protected as a work of fine art under the California Art Preservation Act (California Civil Code Sections 987 et seq.) or as a work of visual art under the Federal Visual Artists Rights Act of 1990 (17 U.S.C. §§ 101 et seq.).

Any failure of Contractor to comply with this section of this Agreement shall constitute an Event of Default of this Agreement.

59. Food Service Waste Reduction Requirements

Contractor agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Agreement as though fully set forth. This provision is a material term of this Agreement. By entering into this Agreement, Contractor agrees that if it breaches this provision, City and Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Contractor agrees that the sum of one hundred dollars ($100) liquidated damages for the first breach, two hundred dollars ($200) liquidated damages for the second breach in the same year, and five hundred dollars ($500) liquidated damages for subsequent breaches in the same year is reasonable estimate of the damage that City and Authority will incur based on the violation, established in light of the circumstances existing at the time this Agreement was made. Such amount shall not be considered a penalty, but rather agreed monetary damages sustained by City and Authority because of Contractor's failure to comply with this provision.

60. Slavery Era Disclosure – Left blank by agreement of the Parties.

61. Cooperative Drafting.

This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first mentioned above.

TREASURE ISLAND DEVELOPMENT AUTHORITY	**CONTRACTOR** **TOOLWORKS, INC.**
By: **Mirian Saez, Director of Island Operations** **Treasure Island** Approved as to Form: Dennis J. Herrera City Attorney By: Deputy City Attorney	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. STEVEN CRABIEL, EXECUTIVE DIRECTOR, 25 KEARNY STREET, SUITE 400 SAN FRANCISCO, CA 94108 FEIN 94-2493384 PHONE – (415) 733-0330 FAX (415)733-0991 City vendor number: **46565**

Appendix

A: Calculation of Charges and Services to be provided by Contractor

Appendix A

Calculation of Charges

For an amount not to exceed $10,000 per month, or $120,000 for the period from July 1, 2011 through June 30, 2012, Contractor will provide:

- Routine janitorial services as defined in the Scope of Work
- Cleaning equipment, materials and supplies
- Soap, toilet paper, hand towels, seat covers for all restrooms and kitchens in all venues
- Uniform soap and paper goods dispensers for all restrooms and kitchens in all venues
- Transport of equipment and personnel

[TOOLWORKS PROFESSIONAL SERVICE AGREEMENT]

Resolution authorizing the Director of Island Operations to execute a Professional Services Agreement with Toolworks, Inc., to provide janitorial services commencing July 1, 2011 and expiring on June 30, 2012 in an amount not to exceed $120,000.

WHEREAS, Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997 (the "Act"), which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968, the California Legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City's Board of Supervisors, and (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On February 6, 1998, the Board of Supervisors adopted Resolution No. 43-98 approving the designation of the Authority as a redevelopment agency for Treasure Island and Yerba Buena Island; and,

WHEREAS, The Authority has negotiated and endorsed a proposed Base Closure Homeless Assistance Agreement and Option to Lease Real Property (the "Homeless Assistance Agreement") with the Treasure Island Homeless Development Initiative ("TIHDI"), a consortium of California nonprofit corporations organized to utilize the resources of the Base to help fill gaps in the continuum of care for homeless persons and families, pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, The Authority wishes to support TIHDI pursuant to the Base Closure Community Redevelopment and Homeless Assistance Act of 1994; and,

WHEREAS, Toolworks, Inc. is a California nonprofit corporation and a member organization of TIHDI, and Toolworks, Inc. has represented and warranted that it is qualified to perform the janitorial and other building maintenance services required by the Authority as set forth under the proposed contract; and,

WHEREAS, The Authority's purchasing policy and procedures authorize non-competitive negotiations for contracts in furtherance of the Homeless Assistance Agreement; and,

WHEREAS, Since September 1, 2004, the Authority has contracted with Toolworks, Inc. for janitorial and other building maintenance services on the former Base, and the current contract expires June 30, 2011; and,

WHEREAS, The Authority has negotiated with Toolworks, Inc. to reach agreement on the terms of a new Professional Services Agreement (the "Agreement") in an amount not to

exceed One Hundred and Twenty Thousand Dollars ($120,000), which (i) describes the scope of work for the services shown in Appendix A of the Agreement, and (ii) establishes the term of the Agreement for a month-to-month period commencing July 1, 2011 and expiring on June 30, 2012; now, therefore be it

RESOLVED, That the Authority hereby authorizes the Director of Island Operations or her designee to execute the month-to-month Agreement with Toolworks effective July 1, 2011, and expiring on June 30, 2012, for an amount not to exceed One Hundred and Twenty Thousand Dollars ($120,000), in substantially the form attached hereto as Exhibit A; and be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Agreement that the Director of Island Operations or her designee determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Agreement, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6I
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing the Director of Island Operations to Retroactively Execute a Film Production Use Permit, Including Waiver of Permit Fees, with Indigo Films Entertainment Group (Action Item)

Contact: Mirian Saez, Director of Island Operations
Phone: 415-274-0660

BACKGROUND

Over the past four years, Indigo Films Entertainment Group, Inc. ("Indigo Films") has been a regular on-Island Film Production Permittee. On February 1, 2011, the Authority entered Sublease No. 388 with Indigo Films for Building 265, the former Treasure Island Library. Indigo Films entered into a sublease agreement in order to utilize the Library exclusively on a weekly basis for production of the Discovery ID Channel series "I (Almost) Got Away With It". The weekly series is a true-crime recreation show focusing on stories of the escape, and subsequent recapture, of prison inmates throughout the country. Indigo Films uses the Library to recreate indoor locations contained in the various episodes, such as offices, hospitals, restaurants and more. The Library provides the ideal variety of rooms and spaces in which to recreate these environments. In producing the series, Indigo Films also has found the occasional need for outdoor locations and residential interior locations as well. Treasure and Yerba Buena Island locations serve as stand-ins for a variety of such recreations, while allowing for production efficiency due to proximity to the production activities now taking place at the Library. During a recent hiatus between seasonal production of "I (Almost) Got Away With It", Indigo received permission from Project Office staff to utilize the Library for similar set production of a separate television program, also for Discovery ID Channel, titled "I Faked My Own Death". This production runs for four weeks starting in mid-May and running through mid-June, at which point production will resume on a new season of "I (Almost) Got Away With It".

At its March 22nd, 2011 meeting, the Authority Board approved a Film Production Use Permit with Indigo Films, including waiver of standard Film Production Permit Fees to accommodate the production's occasional need for outdoor locations and residential interior locations. This Use Permit appropriately addressed general liability and use of space considerations, while allowing for as-needed production activities at exterior locations and various non-revenue-generating on-Island buildings during production. Indigo Films has filmed a variety of projects on Treasure Island over the previous three years under standard Film Use Permits, and have consistently undertaken production activities in a professional and considerate manner at all times. They are considered a tenant in good standing for the purposes of their on-going sublease of Building 265.

TERMS OF USE PERMIT

This Use Permit would allow Indigo Films to continue non-exclusive use of off-street exterior locations and off-line housing units on Treasure and Yerba Buena Islands on a blanket as-needed basis for both the "I Faked My Own Death" and "I (Almost) Got Away With It" productions for the period of May 23rd through October 31, 2011. Use of specific locations is contingent on pre-approval by Project Office staff of locations proposed by Indigo Films. Specific housing units utilized by the production are Quarters 240s and Quarters 3 on Yerba Buena Island and the off-line units on Treasure Island's Bayside Drive. None of these facilities are considered regular revenue-generating facilities during the current Interim Reuse period. A Security Deposit is required to address any potential damage caused to interior locations during the course of this Use Permit.

FINANCIAL IMPACT

This Permit proposes waiver of standard Use Permit fees associated with film and photo production on Treasure and Yerba Buena Island. As discussed above, the Permittee is a current subtenant of the Authority and generates a monthly rent of $5,000 per month for sublease of the Library. The Subleasing Policy has established a Minimum Rental Rate of $0.50 PSF for use of Building 34, and Indigo Films pays a monthly Rental Rate of $0.60 PSF. Production also makes concerted efforts to regularly patronize on-Island businesses including the Treasure Island Market, T.I. Bar and Grill, Oasis Café and Job Corps Culinary Fine Dining program. The Treasure Island Special Event Policy sets standard daily Use Permit fee rates for on-Island film and still photo production activities. Previous productions with on-Island Subleases, including the NBC production "Trauma", have previously been granted Film Use Permits with waiver of Permit Fees in consideration of the monthly revenue derived from the Authority under the Sublease and to aid in efficiency of weekly production activities. In consideration of the monthly revenue generated by the Permittee's Sublease and the increase in patronage of on-Island businesses created by the production, Project Office staff recommends approval of this Use Permit with waiver of standard Permit Fees.

RECOMMENDATION

Staff recommends retroactive approval and authorization for the Director of Island Operations or her designee to execute the Use Permit, including waiver of Permit Fee, with Indigo Films Entertainment Group for as-needed on-Island Film Production.

Exhibit A: Use Permit between TIDA and Indigo Films Entertainment Group

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

P-456
USE PERMIT FOR FILM PRODUCTION
AND RELATED ACTIVITIES ON TREASURE ISLAND

THIS USE PERMIT (this "Permit") dated for reference only as of May 1, 2011, is made by and between the Treasure Island Development Authority ("Authority") and Indigo Films Entertainment Group Inc., a California Corporation ("Permittee").

RECITALS

WHEREAS, pursuant to that certain Lease between the United States of America and Treasure Island Development Authority for Events Venues Naval Station Treasure Island and that certain Lease between the United States of America and Treasure Island Development Authority for South Waterfront Naval Station Treasure Island and that certain Lease between the United States of America and Treasure Island Development Authority for Land and Structures Naval Station Treasure Island and that certain Lease between the United States of America and Treasure Island Development Authority for Childcare Center Naval Station Treasure Island and that certain Lease between the United States of America and Treasure Island Development Authority for Marina Naval Station Treasure Island (collectively the "Master Leases"), by and between the Authority and the Department of Navy (the "Navy"), a copy of which is attached hereto as Exhibit A, the Authority has the right to use those certain properties located on Naval Station Treasure Island, all as more particularly described in the Master Lease (the "Master Lease Property"); and

WHEREAS, Permittee seeks to use a portion of the Master Lease Property for the purposes stated herein, subject to the terms and conditions of this Permit.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, Authority and Permittee agree as follows:

1. Basic Permit Information

The following is a summary of the basic permit information (the "Basic Permit Information"). Each item below shall be deemed to incorporate all of the terms of this Permit pertaining to such item. In the event of any conflict between the information in this Section and any more specific provision of the Permit, the more specific provision shall control.

Authority:	TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation
Permittee:	Indigo Films Entertainment Group Inc. , a California Corporation
Premises (Section 2):	That certain portion of the Master Lease Property as described in the Identification and Location Form attached here to as Exhibit B.
Structural Report (Section 5):	None
Permitted Use (Section 6):	Film production and related activities for the television series titled "I (Almost) Got Away With It" and "I Faked My Own Death" and for

	no other purpose whatsoever.
Parking Rights (Section 8):	Up to five (5) vehicles may be parked in the area designated for parking on Exhibit B, attached hereto
Permit Fees (Section 12):	Waived
Term (Section 13):	Commencement Date and Time: May 23, 2011 Expiration Date and Time: October 31, 2011
Utilities (Section 20):	Not applicable
Insurance Limits (Section 22):	Worker's Compensation Insurance - statutory amounts Employers' Liability Coverage with limits of not less than $1,000,000 for each accident or occurrence Comprehensive or Commercial General Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage Comprehensive or Business Automobile Liability Insurance with limits not less than $1,000,000 each occurrence Combined Single Limit for Bodily Injury and Property Damage
Address for Notices (Section 26):	
Authority:	Treasure Island Development Authority One Avenue of the Palms Building 1, 2nd Floor Treasure Island San Francisco, CA 94130 Attn.: Director of Island Operations Phone No.: (415) 274-0660 Fax No.: (415) 274-0299
Permittee:	Indigo Films Inc. 155 North Redwood Drive, Suite 250 San Rafael, CA 94903 Attn.: Melody Crawford Phone No.: 415-444-1700
Security Deposit (Section 38):	Five Hundred Dollars ($500.00)

2. **License of Premises**. Authority confers to Permittee a revocable, personal, non-exclusive and non-possessory license to enter upon and use the Premises described in the Basic Permit Information for the limited purpose and subject to the terms, conditions and restrictions set forth below.

This Permit does not constitute a grant to Permittee of any ownership, leasehold, easement or other property interest or estate in the Premises. Authority is acting only in its proprietary capacity in granting the license given to Permittee under this Permit. Permittee acknowledges that (i) such grant is effective only insofar as Authority's rights in the Premises; and (ii) Permittee must separately obtain all regulatory approvals of Authority, the City and County of San Francisco ("City") or any other applicable governmental entity necessary for the Permitted Uses. Permittee shall bear all costs or expenses of any kind in connection with its use of the Premises or any other Master Lease Property.

3. **Inspection of Premises**. Permittee represents and warrants that Permittee has conducted a thorough and diligent inspection and investigation, either independently or through its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns, and each of them ("Permittee's Agents"), of the Premises and the suitability of the Premises for Permittee's intended use. Permittee is fully aware of the needs of its operations and has determined, based solely on its own investigation, that the Premises are suitable for its operations and intended uses.

4. **As Is; Disclaimer of Representations**. Permittee acknowledges and agrees that the Premises are being licensed and accepted in their "AS IS, WITH ALL FAULTS" condition, without representation or warranty of any kind, and subject to all applicable laws, statutes, ordinances, resolutions, regulations, proclamations, orders or decrees of any municipal, county, state or federal government or other governmental or regulatory authority with jurisdiction over the Premises, or any portion thereof, whether currently in effect or adopted in the future and whether or not in the contemplation of the Parties ("Laws"), governing the use, occupancy, management, operation and possession of the Premises. Without limiting the foregoing, this Permit is made subject to any and all covenants, conditions, restrictions, easements and other title matters affecting the Premises, or any portion thereof, whether or not of record. Permittee acknowledges and agrees that neither Authority nor any of its officers, directors, employees, agents, affiliates, subsidiaries, licensees and contractors, and their respective heirs, legal representatives, successors and assigns ("Authority's Agents") have made, and Authority hereby disclaims, any representations or warranties, express or implied, concerning (i) title or survey matters affecting the Premises, (ii) the physical, geological, seismological or environmental condition of the Premises, (iii) the quality, nature or adequacy of any utilities serving the Premises, (iv) the feasibility, cost or legality of constructing any Alterations on the Premises if required for Permittee's use and permitted under this Permit, (v) the safety of the Premises, whether for the use of Permittee or any other person, including Permittee's Agents or Permittee's clients, customers, vendors, invitees, guests, members, licensees, assignees or permittees ("Permittee's Invitees"), or (vi) any other matter whatsoever relating to the Premises or their use, including, without limitation, any implied warranties of merchantability or fitness for a particular purpose.

5. **Seismic Report and Structural Report**. Without limiting Section 3 above, Permittee expressly acknowledges for itself and Permittee's Agents that it received and read that certain report dated August 1995, entitled "*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and

County of San Francisco (the "Seismic Report"), a copy of the cover page of which is attached hereto as Exhibit C. Permittee has had an adequate opportunity to review the Seismic Report with expert consultants of its own choosing. The Seismic Report, among other matters, describes the conditions of the soils on Treasure Island and points out that in the area of the Property where the Premises are located, an earthquake of magnitude 7 or greater is likely to cause the ground under and around the Premises to spread laterally to a distance of ten (10) or more feet and/or result in other risks. In that event, there is a significant risk that buildings and any other structures or improvements located on or about the Premises may fail structurally and collapse. Permittee further expressly acknowledges for itself and Permittee's Agents that it received and read that certain Structural Report identified in the Basic Permit Information, a copy of which is attached hereto as Exhibit D (the "Structural Report").

6. **Use of Premises**. Permittee may enter and use the Premises for the sole purpose described in the Basic Permit Information during the times specified in the Location Form, which Location Form may be amended in writing by mutual agreement of the parties. Permittee shall comply with all conditions of approval or use guidelines set forth in the Location Form, the General Guidelines and Information for Filming on Treasure Island attached hereto as Exhibit E, the San Francisco Police Department Film Production Guidelines attached hereto as Exhibit F, or as otherwise required by Authority. Authority reserves the right, in its sole discretion, to change such guidelines as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations. Authority shall keep the Premises free and clear of any liens or claims of lien arising out of Permittee's use of the Premises and Permittee shall use commercially reasonable efforts to minimize any disruption that its activities may cause to the Premises or its general vicinity.

7. **Restrictions on Use**. Permittee shall not use, and Permittee shall prohibit Permittee's Agents and Permittee's Invitees from using, the Premises for any activities other than the Permitted Uses. Permittee agrees that, by way of example only and without limitation, the following uses of the Premises by Permittee, or any of Permittee's Agents or Permittee's Invitees, or any other person claiming by or through Permittee, are inconsistent with the limited purpose of this Permit and are strictly prohibited as provided below:

(a) **Hazardous Material**. Permittee shall not cause, nor shall Permittee allow any of Permittee's Agents or Permittee's Invitees to cause, any Hazardous Material (as defined below) to be brought upon, kept, used, stored, generated or disposed of in, on or about the Premises, or transported to or from the Premises, without the prior written consent of Authority. Permittee shall immediately notify Authority when Permittee learns of, or has reason to believe that, a release of Hazardous Material has occurred in, on or about the Premises. Permittee shall further comply with all laws requiring notice of such releases or threatened releases to governmental agencies, and shall take all action necessary to mitigate the release or minimize the spread of contamination. In the event that Permittee or Permittee's Agents or Permittee's Invitees cause a release of Hazardous Material, Permittee shall, without cost to Authority and in accordance with all laws and regulations, return the Premises to the condition immediately prior to the release. In connection therewith, Permittee shall afford Authority a full opportunity to participate in any discussion with governmental agencies regarding any settlement agreement, cleanup or abatement agreement, consent decree or other compromise proceeding involving Hazardous Material. For purposes hereof, "**Hazardous Material**" means material that, because of its quantity, concentration or physical or chemical characteristics, is at any time now or hereafter deemed by any federal, state or local governmental authority to pose a present or potential hazard to public health, welfare or the environment. Hazardous Material includes, without limitation, any material or substance defined as a "hazardous substance, pollutant or contaminant" pursuant to the Comprehensive

Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., or pursuant to Section 25316 of the California Health & Safety Code; a "hazardous waste" listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials whether or not such materials are part of the Premises or are naturally occurring substances in the Premises, and any petroleum, including, without limitation, crude oil or any fraction thereof, natural gas or natural gas liquids. The term "**release**" or "**threatened release**" when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing in, on, under or about the Premises.

(b) **Nuisances**. Permittee shall not conduct any activities on or about the Premises that constitute waste, nuisance or unreasonable annoyance (including, without limitation, emission of objectionable odors, noises or lights) to Authority, to the owners or occupants of neighboring property or to the public.

(c) **Damage**. Permittee shall not do anything about the Premises that could cause damage to the Premises or any Authority or Navy property.

8. **Parking**. Permittee shall be allowed to park up to the number of vehicles set forth in the Basic Permit Information in the area designated for parking on the Location Form attached hereto. To the extent practicable, Permittee shall use its best efforts to encourage the use of public transportation, ride-sharing, the use of shuttle busses or other pooled-means of transportation to and from the Premises. Information about public transportation servicing former Naval Station Treasure Island is attached to this Permit as Exhibit I. Further public transportation information is also available on-line at http://www.511.org.

9. **Resource Conservation and Sustainability**. Authority is committed to managing the Premises in as sustainable a manner as possible. In addition to Permittee's compliance with the requirements of Section 37 below, Permittee shall use its best efforts to conduct its operations in accordance with sustainable practices and all applicable provisions of the San Francisco Environment Code.

10. **Subject to Authority and City Uses.** Notwithstanding anything to the contrary in this Permit, Permittee's right to use the Premises hereunder shall be subject and subordinate to Authority and City's uses of the Premises for municipal purposes. In addition, Permittee acknowledges that the Property contains a variety of different event venues and outdoor public spaces and it is common for numerous events to be held at various venues on the Property on the same day.

11. **Alterations.** Except as otherwise expressly provided herein, Permittee shall not construct or place any temporary or permanent structures, improvements or signs in, on, under or about the Premises, nor shall Permittee make any alterations, installations or additions ("Alterations") to any of the existing structures, improvements or signs on the Premises, unless Permittee first obtains Authority's prior written consent, which Authority may give or withhold in its sole and absolute discretion. Subject to Authority's consent as provided above, any permitted Alterations shall be done at Permittee's sole expense (i) in strict accordance with plans and specifications approved in advance by Authority in writing, (ii) by duly licensed and bonded contractors approved by Authority, (iii) in a good and professional manner, (iv) in strict compliance with all applicable laws and regulations, and (v) subject to all other conditions that Authority may reasonably impose. Upon termination of this Permit, Permittee shall remove all Alterations constructed or affixed to the Premises by or on behalf of Permittee and repair, at its

sole cost and expense, any damage to the Premises caused by the installation or removal of such Alterations.

Without limiting the generality of the foregoing, Permittee acknowledges and agrees that, pursuant to Section 4.2 of the Master Lease, no Alterations may be made to any improvements on the Premises (i) which will affect the historic characteristics of the improvements or modify the appearance of the exterior of the improvements without Navy's and Authority's prior written consent, or (ii) if such Alterations would preclude qualifying the improvements for inclusion on the National Register for Historic Places.

12. **Permit Fees**. Permittee shall pay to Authority a one-time non-refundable permit fee in the amount set forth in the Basic Permit Information for its use of the Premises as provided hereunder. Such fee is payable at such time as Permittee signs and delivers this Permit to Authority. Within five (5) days after demand therefor, Permittee shall pay all applicable City departments for the costs incurred by those departments in providing the use of City employees, equipment, property and facilities in connection with this Permit.

13. **Term of Permit; Revocability**. The privilege conferred to Permittee pursuant to this Permit shall commence on Commencement Date and Time set forth in the Basic Permit Information and shall automatically expire on the Expiration Date and Time set forth in the Basic Permit Information, unless amended in writing or sooner terminated or revoked pursuant to the terms hereof. Moreover, if the Master Lease terminates for any reason whatsoever, this Permit shall automatically terminate. Without limiting any of its rights hereunder, Authority may revoke this Permit at any time prior to the Expiration Date and Time, without cause and without any obligation to pay any consideration to Permittee.

14. Compliance with Laws. Permittee shall, at its expense, conduct and cause to be conducted all activities on the Premises allowed hereunder in a safe and reasonable manner and in compliance with all laws, regulations, ordinances and orders of any governmental or other regulatory entity (including, without limitation, the Americans with Disabilities Act), whether presently in effect or subsequently adopted, and whether or not in the contemplation of the parties. Such laws shall include, but are not limited to, local, state and federal laws prohibiting discrimination in employment and public accommodations. Permittee shall, at its sole expense, procure and maintain in force at all times during its use of the Premises any and all business and other licenses or approvals necessary to conduct the activities allowed hereunder. Permittee understands and agrees that Authority is entering into this Permit in its capacity as a property owner with a proprietary interest in the Premises and not as a regulatory agency with police powers. Permittee further understands and agrees that no approval by Authority for purposes of this Permit shall be deemed to constitute approval of any federal, state, Authority or other local regulatory authority with jurisdiction, and nothing herein shall limit Permittee's obligation to obtain all such regulatory approvals at Permittee's sole cost or limit in any way Authority's exercise of its police powers. Without limiting the foregoing, before beginning any work in the Premises and/or using the Premises, Permittee, at its sole cost and expense, shall obtain any and all permits, licenses and approvals (collectively, "approvals") of all regulatory agencies and other third parties that are required to commence and complete the permitted work and use the Premises including, but not limited to, approvals required by the San Francisco Fire Department (e.g. General Assembly, Tent, Open Flame, Propane, etc.), the San Francisco Police Department (e.g., alcohol consumption and/or sales), the San Francisco Entertainment Commission (e.g., Loudspeaker, Itinerant Show, etc.), San Francisco Department of Building Inspection (e.g., electrical), the San Francisco Department of Health, and the California Department of Alcoholic Beverage Control (e.g., alcohol consumption and/or sales). Permittee shall provide copies of all such approvals to Authority prior to Permittee's use of the Premises.

15. Security. In addition to the Permit Fee described in Section 12 above, Permittee shall provide the security, police and medical support services described on Exhibit G, attached hereto, at its sole cost and expense.

16. Rules and Regulations. In connection with the Permittee's use hereunder, Permittee shall comply with the Rules and Regulations attached hereto as Exhibit H. Authority reserves the right, in its sole discretion, to change such Rules and Regulations as necessary to promote or protect the public safety, health or convenience. Authority shall give Permittee reasonable prior notice of such changes; provided, however, that no such prior notice shall be required in emergency situations.

17. Surrender. Upon the expiration or termination of this Permit, Permittee shall surrender the Premises in the same condition as received, free from hazards and clear of all debris. At such time, Permittee shall remove all of its property from the Premises permitted hereunder, and shall repair, at its cost, any damage to the Premises caused by such removal. Permittee's obligations under this Section shall survive any expiration or termination of this Permit.

18. Repair of Damage. If requested by Authority, Permittee shall promptly, at its sole cost and expense, repair any and all damage to the Premises and any personal property located thereon caused by Permittee or Permittee's Agents or Invitees. Permittee shall obtain Authority's prior written approval of any party to be used by Permittee to conduct such repair work. Alternatively, Authority may make such repairs on behalf of Permittee at Permittee's sole cost and expense. If Permittee damages Authority or Navy facilities or any personal property, the final repair costs owed by Permittee shall be determined by Authority in its sole and

absolute discretion, and shall be paid by Permittee within five (5) days after Permittee's demand therefor. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

19. **Public Safety**. Permittee agrees to conduct the Permitted Uses at all times in a safe and prudent manner with full regard to the public safety and to observe all applicable regulations and requests of Authority and other government agencies responsible for public safety.

20. **Utilities**. Authority has no responsibility or liability of any kind with respect to any utilities that may be on, in or under the Premises. Permittee shall locate any such utilities and protect them from damage arising out of Permittee's activities. Permittee shall be solely responsible for arranging and paying for all utilities necessary in connection with the Permitted Uses as set forth in the Basic Permit Information. Any such payment shall be due and payable within five (5) days after demand therefor.

21. **Release and Waiver of Claims; Indemnification**

21.1. **Release and Waiver of Claims**. Permittee, on behalf of itself and Permittee's Agents, covenants and agrees that the Authority shall not be responsible for or liable to Permittee for, and, to the fullest extent allowed by any Laws, Permittee hereby waives all rights against the Authority and releases them from, any and all claims, demands, losses, liabilities, damages, liens, injuries, penalties, fines, lawsuits and other proceedings, judgments and awards and costs and expenses, including, without limitation, reasonable attorneys' and consultants' fees and costs ("Losses"), including, but not limited to, incidental and consequential damages, relating to any injury, accident or death of any person or loss or damage to any property, in or about the Premises, from any cause whatsoever, including without limitation, partial or complete collapse of the buildings thereon due to an earthquake or subsidence, except only to the extent such Losses are caused exclusively by the gross negligence or willful misconduct of the Authority (except as provided in Section 21.1(a) below). Without limiting the generality of the foregoing:

(a) Without limiting any other waiver contained herein, Permittee on behalf of itself and its successors and assigns, hereby waives its right to recover from, and forever RELEASES, WAIVES AND DISCHARGES the Authority from, any and all Losses, whether direct or indirect, known or unknown, foreseen and unforeseen, that may arise on account of or in any way be connected with the Authority's decision to allow Permittee to use the Premises, regardless of whether or not such decision is or may be determined to be an act of gross negligence or willful misconduct of the Authority.

(b) Permittee covenants and agrees never to file, commence, prosecute or cause to be filed, commenced or prosecuted against the Authority any claim, action or proceeding based upon any claims, demands, causes of action, obligations, damages, losses, costs, expenses or liabilities of any nature whatsoever encompassed by the waivers and releases set forth in this Section 21.1.

(c) In executing these waivers and releases, Permittee has not relied upon any representation or statement other than as expressly set forth herein.

(d) Permittee has made such investigation of the facts pertaining to these waivers and releases as it deems necessary and assumes the risk of mistake with respect to such facts. These waivers and releases are intended to be final and binding on Permittee regardless of any claims of mistake.

(e) In connection with the foregoing releases, Permittee acknowledges that it is familiar with Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

21.2. **Acknowledgment.** Permittee acknowledges that the releases contained herein include all known and unknown, disclosed and undisclosed, and anticipated and unanticipated claims. Permittee realizes and acknowledges that it has agreed upon this Permit in light of this realization and, being fully aware of this situation, it nevertheless intends to waive the benefit of Civil Code Section 1542, or any statute or other similar law now or later in effect. The waivers and releases contained herein shall survive any termination of this Permit.

21.3. **Permittee's Indemnity.** Permittee, on behalf of itself and Permittee's Agents, shall indemnify, protect, defend and hold harmless forever ("Indemnify") the Authority from and against any and all Losses, expressly including but not limited to, any Losses arising out of a partial or complete collapse of any building located on the Premises due to an earthquake or subsidence, incurred in connection with or arising directly or indirectly, in whole or in part, out of: (a) any damage to or destruction of any property owned by or in the custody of Permittee or Permittee's Agents or Permittee's Invitees; (b) any accident, injury to or death of a person, including, without limitation, Permittee's Agents and Permittee's Invitees, howsoever or by whomsoever caused, occurring in, on or about the Premises; (c) any default by Permittee in the observation or performance of any of the terms, covenants or conditions of this Permit to be observed or performed on Permittee's part; (d) the use, occupancy, conduct or management, or manner of use, occupancy, conduct or management by Permittee, Permittee's Agents or Permittee's Invitees or any person or entity claiming through or under any of them, of the Premises or any Alterations; (e) the condition of the Premises; (f) any construction or other work undertaken by Permittee on or about the Premises whether before or during the Term of this Permit; or (g) any acts, omissions or negligence of Permittee, Permittee's Agents or Permittee's Invitees, or of any trespassers, in, on or about the Premises or any alterations; except to the extent that such Indemnity is void or otherwise unenforceable under any applicable Laws in effect on or validly retroactive to the date of this Permit and further except only to the extent such Losses are caused by the gross negligence and intentional wrongful acts and omissions of the Authority. Notwithstanding the foregoing, Permittee's obligations to indemnify the Authority under this Section 21.3 shall remain in full force and effect regardless of whether or not the Authority' decision to permit the Premises to the Permittee, given the seismic condition of the property, is or may be determined to be an act of gross negligence or willful misconduct of the Authority. The foregoing Indemnity shall include, without limitation, reasonable fees of attorneys, consultants and experts and related costs and Authority's costs of investigating any Loss. Permittee specifically acknowledges and agrees that it has an immediate and independent obligation to defend Authority from any claim which actually or potentially falls within this indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to Permittee by Authority and continues at all times thereafter. Permittee's obligations under this Section shall survive the expiration or sooner termination of this Permit. Notwithstanding anything contained herein, to

the extent such Losses are not covered by insurance required herein and subject to this Section 21.3, Permittee shall have no obligation to repair, restore or reconstruct the Premises (or to pay for the same) in the event the Premises are damaged or destroyed by an earthquake or subsidence or by any other uninsured casualty.

22. INSURANCE

22.1. Permittee's Insurance. Permittee shall procure and maintain throughout the Term of this Permit and pay the cost thereof the following insurance:

(a) If Subtenant has employees, Worker's Compensation Insurance in statutory amounts, with Employers' Liability Coverage with limits of not less than the amount set forth in the Basic Permit Information; and

(b) Comprehensive or Commercial General Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for Contractual Liability, Host Liquor Liability, Personal Injury, Advertising Liability, Independent Contractors, Explosion, Collapse and Underground (XCU), Broad Form Property Damage, Products Liability, Completed Operations and Sudden and Accidental Pollution; and

(c) Comprehensive or Business Automobile Liability Insurance with limits not less than the amount set forth in the Basic Permit Information, including coverage for owned, non-owned and hired automobiles, if applicable, which insurance shall be required if any automobiles or any other motor vehicles are operated in connection with Permittee's activity on, in and around the Premises; and

(d) Such other insurance as required by law or as the City's Risk Manager may require.

22.2. Claims Made Policy. Should any of the required insurance be provided under a claims-made form, Permittee shall maintain such coverage continuously throughout the term of this Permit, and, without lapse, for two (2) years beyond the expiration of this Permit, to the effect that, should occurrences during the Term give rise to claims made after expiration of this Permit, such claims shall be covered by such claims-made policies.

22.3. Annual Aggregate Limit. Should any of the required insurance be provided under a form of coverage that includes a general annual aggregate limit or provides that claims investigation or legal defense costs be included in such annual aggregate limit, such annual aggregate limit shall be not less than double the occurrence limits specified above.

22.4. Additional Insureds. Liability policies shall be endorsed to name as additional insureds the "Treasure Island Development Authority, City and County of San Francisco, United States of America, acting by and through the Department of the Navy, and their officers, directors, employees and agents" (Insurance Certificate with Endorsement for such additional insureds).

22.5. Payment of Premiums. Permittee shall pay all the premiums for maintaining all required insurance.

22.6. Waiver of Subrogation Rights. Notwithstanding anything to the contrary contained herein, Authority and Permittee (each a "Waiving Party") each hereby waives any right of recovery against the other party for any loss or damage sustained by such other party with respect to the Premises or any portion thereof or the contents of the same or any operation

therein, whether or not such loss is caused by the fault or negligence of such other party, to the extent such loss or damage is covered by insurance which is required to be purchased by the Waiving Party under this Permit or is actually covered by insurance obtained by the Waiving Party. Each Waiving Party agrees to cause its insurers to issue appropriate waiver of subrogation rights endorsements to all policies relating to the Premises; provided, the failure to obtain any such endorsement shall not affect the above waiver.

22.7. General Insurance Matters.

(a) All insurance policies shall be endorsed to provide thirty (30) days prior written notice of cancellation, non-renewal or reduction in coverage or limits to Authority at the address for Notices specified in the Basic Permit Information.

(b) All insurance policies shall be endorsed to provide that such insurance is primary to any other insurance available to the additional insureds with respect to claims covered under the policy and that insurance applies separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limit of liability.

(c) Before commencement of activities under this Permit, certificates of insurance and brokers' endorsements, in form and with insurers acceptable to Authority, shall be furnished to Authority, along with complete copies of policies if requested by Authority.

(d) All insurance policies required to be maintained by Permittee hereunder shall be issued by an insurance company or companies reasonably acceptable to Authority with an AM Best rating of not less than A-VIII and authorized to do business in the State of California.

22.8. No Limitation on Indemnities. Permittee's compliance with the provisions of this Section shall in no way relieve or decrease Permittee's indemnification obligations herein or any of Permittee's other obligations or liabilities under this Permit.

22.9. Lapse of Insurance. Notwithstanding anything to the contrary in this Permit, Authority may elect in Authority's sole and absolute discretion to terminate this Permit upon the lapse of any required insurance coverage by written notice to Permittee.

22.10. Permittee's Personal Property. Permittee shall be responsible, at its expense, for separately insuring Permittee's Personal Property.

23. No Assignment. This Permit is personal to Permittee and shall not be assigned, conveyed or otherwise transferred by Permittee under any circumstances.

24. Copyrights. Permittee shall obtain all approvals for, and pay for all costs arising from, the use of patented, trademarked, franchised and copyrighted music, materials, devices, processes or dramatic rights used on or incorporated in the film production and related activities.

25. Ownership of Results. Authority recognizes and agrees that it shall hold no ownership or other proprietary interest in the film products created by Permittee pursuant to this Permit. Authority agrees that it shall take no action to prohibit, delay or otherwise inhibit Permittee's rights to utilize the film products created by Permittee as a result of Permittee's breach of any of the terms, covenants or conditions of this Permit.

26. **No Joint Venture or Partnership; Independent Contractor**. This Permit does not create a partnership or joint venture between Authority and Permittee. Permittee shall be solely responsible for all matters relating to the payment of its employees, including, without limitation, compliance with any federal, state or local law and all other regulations governing such matters.

27. **Impossibility of Performance**. If, for any reason, an unforeseen event occurs which is beyond the control of Authority or Permittee, including, but not limited to, fire, casualty or labor strike, which event renders impossible the fulfillment of any term of this Permit, Permittee and Authority shall have no right to nor claim for damages against the other.

28. **Possessory Interest Taxes; Payment of Taxes**. Permittee recognizes and understands that this Permit may create a possessory interest subject to property taxation and that Permittee may be subject to the payment of property taxes levied on such interest under applicable law. Permittee agrees to pay taxes of any kind, including possessory interest taxes, if any, that may be lawfully assessed on Permittee's interest under this Permit or use of the Premises pursuant hereto and to pay any other taxes, excises, licenses, permit charges, possessory interest taxes, or assessments based on Permittee's usage of the Premises that may be imposed upon Permittee by applicable law.

29. **Notices**. Except as otherwise provided herein, any notices given under this Permit shall be addressed to the Authority and Permittee at the addresses set forth in the Basic Permit Information.

Notice shall be deemed given (a) two (2) business days after the date when it is deposited with the U.S. Mail, if sent by first class or certified mail, (b) one (1) business day after the date when it is deposited with an overnight carrier, if next business day delivery is required, (c) upon the date personal delivery is made, or (d) upon the date when it is sent by facsimile, if the sender receives a facsimile report confirming such delivery has been successful and the sender mails a copy of such notice to the other party by U.S. first class mail on such date.

30. **Location Credit**. Permittee shall expressly give credit to the "Treasure Island Development Authority" and the "City and County of San Francisco" in the credits of any film resulting from the activities under this Permit. Such credit shall be accorded on screen, with size, placement and all other aspects thereof determined in Permittee's sole discretion but consistent with other "thank you" type credits accorded to locations of filming, if any. Permittee's obligations under this Section shall survive the cancellation, expiration or termination of this Permit.

31. **Production/Film Coordination**. No filming on the Premises shall depict the U.S. Military in any manner and Permittee shall obtain the Navy's prior written approval to all filming in outdoor areas. Permittee further acknowledges and agrees to verify in writing to the Navy that any production being filmed at the Premises does not depict the U.S. Military in any manner (or to obtain the Navy's consent thereto) and to furnish a copy of the shooting script to Patricia McFadden, BRAC Field Team Leader, Caretaker Site Office, One Avenue of Palms, First Floor, Treasure Island, San Francisco CA 94130. Whether the U.S. Military is being depicted is the only aspect of script content that is appropriate for the Navy's review. The portrayal of any subject material other than the U.S. Military is the sole responsibility of Permittee.

32. **MacBride Principles - Northern Ireland**. The City and County of San Francisco urges companies doing business in Northern Ireland to move toward resolving employment inequities and encourages them to abide by the MacBride Principles as expressed in San Francisco Administrative Code Section 12F.1, et seq. The City and County of San Francisco also

urges San Francisco companies to do business with corporations that abide by the MacBride Principles. Permittee acknowledges that it has read and understands the above statement of the City and County of San Francisco concerning doing business in Northern Ireland.

33. Non-Discrimination.

33.1 Covenant Not to Discriminate. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of any fact or perception of a person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, gender identity, domestic partner status, marital status, disability, height, weight or acquired immune deficiency (AIDS) or HIV syndrome against any employee of, any City or Authority employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee.

33.2 Subcontracts. Permittee shall include in all subcontracts relating to the Premises a non-discrimination clause applicable to such subcontractor in substantially the form of Section 33.1 above. In addition, Permittee shall incorporate by reference in all subcontracts the provisions of Sections 12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code and shall require all subcontractors to comply with such provisions. Permittee's failure to comply with the obligations in this Section shall constitute a material breach of this Permit.

33.3 Non-Discrimination in Benefits. Permittee does not as of the date of this Permit and will not during the term of this Permit, in any of its operations in San Francisco or where the work is being performed for the City or elsewhere within the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension and retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing such registration, subject to the conditions set forth in Section 12B.2(b) of the San Francisco Administrative Code.

33.4 Incorporation of Administrative Code Provisions by Reference. The provisions of Chapters 12B and 12C of the San Francisco Administrative Code relating to non-discrimination by parties contracting for the use of City property are incorporated in this Section by reference and made a part of this Permit as though fully set forth herein. Permittee shall comply fully with and be bound by all of the provisions that apply to this Permit under such Chapters of the Administrative Code, including but not limited to the remedies provided in such Chapters. Without limiting the foregoing, Permittee understands that pursuant to Section 12B.2(h) of the San Francisco Administrative Code, a penalty of Fifty Dollars ($50) for each person for each calendar day during which such person was discriminated against in violation of the provisions of this Permit may be assessed against Permittee and/or deducted from any payments due Permittee.

34. Tropical Hardwoods and Virgin Redwood. The City and County of San Francisco urges companies not to import, purchase, obtain or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product, except as expressly permitted by the application of Sections 802(b) and 803(b) of the San Francisco Environment Code. Permittee agrees that, except as permitted by the application of Sections 802(b) and 803(b), Permittee shall not use or incorporate any tropical hardwood, tropical

hardwood wood product, virgin redwood or virgin redwood wood product in the performance of this Permit.

35. **No Tobacco Advertising**. Permittee acknowledges and agrees that no advertising of cigarettes or tobacco products is allowed on any real property owned by or under the control of the Authority, including the property which is the subject of this Permit. This prohibition includes the placement of the name of a company producing, selling or distributing cigarettes or tobacco products or the name of any cigarette or tobacco product in any promotion of any event or product. This prohibition does not apply to any advertisement sponsored by a state, local or nonprofit entity designed to communicate the health hazards of cigarettes and tobacco products or to encourage people not to smoke or to stop smoking.

36. **Conflicts of Interest**. Through its execution of this Permit, Permittee acknowledges that it is familiar with the provisions of Section 15.103 of the San Francisco Charter, Article III, Chapter 2 of City's Campaign and Governmental Conduct Code, and Sections 87100 et seq. and Sections 1090 et seq. of the Government Code of the State of California, and certifies that it does not know of any facts which would constitute a violation of said provision, and agrees that if Permittee becomes aware of any such fact during the term of this Permit, Permittee shall immediately notify Authority.

37. **Food Service Waste Reduction**. Permittee agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Permit as though fully set forth. This provision is a material term of this Permit. By entering into this Permit, Permittee agrees that if it breaches this provision, Authority will suffer actual damages that will be impractical or extremely difficult to determine; further, Permittee agrees that the sum of One Hundred Dollars ($100.00) liquidated damages for the first breach, Two Hundred Dollars ($200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars ($500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Authority will incur based on the violation, established in light of the circumstances existing at the time this Permit was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Authority because of Permittee's failure to comply with this provision.

In addition, if 2,000 or more of Permittee's Agents and/or Permittee's Licensee's will be at the Premises, Permittee shall submit a recycling and waste reduction plan to the Authority's Events Coordinator and comply with State Assembly Bill 2176 (Montanez, Chapter 879, Statutes of 2004).

38. **Security Deposit**. Permittee shall pay to Authority upon execution of this Permit a security deposit in the amount set forth in the Basic Permit Information as security for the faithful performance of all terms, covenants and conditions of this Permit. Permittee agrees that Authority may (but shall not be required to) apply the security deposit in whole or in part to remedy any damage to the Premises caused by Permittee, Permittee's Agents or Permittee's Invitees, or any failure of Permittee to perform any other terms, covenants or conditions contained in this Permit, without waiving any of Authority's other rights and remedies hereunder or at law or in equity. Authority's obligations with respect to the security deposit are solely that of debtor and not trustee. Authority shall not be required to keep the security deposit separate from its general funds, and Permittee shall not be entitled to any interest on such deposit. The amount of the security deposit shall not be deemed to limit Permittee's liability for the performance of any of its obligations under this Permit. To the extent that Authority is not entitled to retain or apply the security deposit pursuant to this Section 38,

Authority shall return such security deposit to Permittee within forty-five (45) days of the termination of this Permit, or such longer period as is reasonably necessary for Authority to confirm Permittee's compliance with the requirements of this Permit.

39. **General Provisions**. **(a)** This Permit may be amended or modified only by a writing signed by Authority and Permittee. **(b)** No waiver by any party of any of the provisions of this Permit shall be effective unless in writing and signed by an officer or other authorized representative, and only to the extent expressly provided in such written waiver. **(c)** This instrument (including the exhibit(s) hereto) contains the entire agreement between the parties and all prior written or oral negotiations, discussions, understandings and agreements are merged herein. **(d)** The section and other headings of this Permit are for convenience of reference only and shall be disregarded in the interpretation of this Permit. **(e)** Time is of the essence. **(f)** This Permit shall be governed by California law. **(g)** If either party commences an action against the other or a dispute arises under this Permit, the prevailing party shall be entitled to recover from the other reasonable attorneys' fees and costs. For purposes hereof, reasonable attorneys' fees of Authority shall be based on the fees regularly charged by private attorneys in San Francisco with comparable experience. **(h)** If Permittee consists of more than one person then the obligations of each person shall be joint and several. **(i)** Permittee may not record this Permit or any memorandum hereof. **(j)** Subject to the prohibition against assignments or other transfers by Permittee hereunder, this Permit shall be binding upon and inure to the benefit of the parties and their respective heirs, representatives, successors and assigns. **(k)** Any sale or conveyance of the property burdened by this Permit by Authority shall automatically revoke this Permit. **(l)** This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Permittee represents and warrants to Authority that it has read and understands the contents of this Permit and agrees to comply with and be bound by all of its provisions. Permittee further represents and warrants to Authority that all information provided to Authority in the Location Form is true and correct.

PERMITTEE:

Indigo Films Entertainment Group Inc., a California Corporation

By: _____

Name: _____

Title: _____

AUTHORITY:

TREASURE ISLAND DEVELOPMENT AUTHORITY

By: _____
Mirian Saez
Director of Island Operations

APPROVED AS TO FORM:

DENNIS J. HERRERA,
City Attorney

By: _____
Deputy City Attorney

Treasure Island Film Permit
Exhibit A

All Master Leases between the United States of America and Treasure Island Development Authority for Naval Station Treasure Island are available upon request;

Treasure Island Film Permit
Exhibit B

Identification and Location Form

Treasure Island Film Permit
Exhibit C

"*Treasure Island Reuse Plan: Physical Characteristics, Building and Infrastructure Conditions,*" prepared for the Office of Military Base Conversion, Department of City Planning, and the Redevelopment Agency of the City and County of San Francisco – August, 1995

Exhibit D
Facility Structural Report

EXHIBIT E
General Guidelines and Information for Filming on Treasure Island

EXHIBIT F

San Francisco Police Department Filming Guidelines

EXHIBIT G
Security

EXHIBIT H
Treasure Island Rules and Regulations

EXHIBIT I
Public Transportation Information

EXHIBIT J
Production Schedule

Indigo Films Entertainment Group shall be allowed a total of thirty-six (36) individual Production Days on Treasure and Yerba Buena Island during the Term of the Permit.

Permittee shall provide 72 hours written notification to the Authority prior to any proposed Production Days.

Authority shall reserve the right to amend the Production Schedule should it conflict with on-Island events taking place on specific dates throughout the Term of the Use Permit.

[Use Permit with Indigo Films Entertainment Group.]

Resolution Authorizing the Director of Island Operations to Retroactively Execute a Film Production Use Permit, Including Waiver of Permit Fees, with Indigo Films Entertainment Group.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America, acting by and through the Department of the Navy; and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco (the "City"); and,

WHEREAS, On February 1, 2011 Indigo Films Entertainment Group entered into a Sublease for Building 265 for the purpose of production of the television program "I (Almost) Got Away With It; and,

WHEREAS, Under the proposed Film Production Use Permit, Indigo Films Entertainment Group would be allowed non-exclusive use of various appropriate on-Island locations for filming of additional scenes associated with production activities taking place at Building 265 ; and,

WHEREAS, a Film Production Use Permit document between the Authority and Indigo Films Entertainment Group is required to appropriately document these uses of additional

buildings and grounds on former Naval Station Treasure Island by Indigo Films Entertainment Group; and

WHEREAS, TIDA staff recommends waiver of the Permit Fee for this Film Use Permit as Indigo Films Entertainment Group provides regular revenue to the Authority through its sublease of Building 265 , now therefore, be it

WHEREAS, TIDA staff believes that waiver of the Permit Fee will assist Indigo Films Entertainment Group with their on-island production activities that will produce additional revenue generated on the Island through commercial operations and increase their patronize on-Island businesses including the Treasure Island Market, T.I. Bar and Grill, Oasis Café and Job Corps Culinary Fine Dining program.

RESOLVED, That the Board of Directors hereby retroactively approves the Use Permit between Indigo Films Entertainment Group and the Authority, and authorizes the Director of Island Operations or her designee to execute said Use Permit in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors approves the waiver of a standard Permit Fee for this Use Permit in recognition of the regular revenue already provided the Authority by Indigo Films Entertainment Group through its sublease of Building 265; and, be it

FURTHER RESOLVED, That the Board of Directors hereby finds that (i) entering into the Use Permit will serve the goals of the Authority and the public interests of the City, and (ii) the terms and conditions of the Use Permit are economically reasonable; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Director of Island Operations or her designee to enter into any additions, amendments or other modifications to the Use Permit that the Director of Island Operations determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce

the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Use Permit, such determination to be conclusively evidenced by the execution and delivery by the Director of Island Operations or her designee of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6J
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Approving the Treasure Island Development Authority Board of Directors' Regular Meeting Schedule for Fiscal Year 2011-2012 *(Consent Item)*

Contact: Mirian Saez, Director of Island Operations

Phone: (415) 274-0660

BACKGROUND
Article V, Sections 10 and 11 of the Second Amended and Restated Bylaws of the Treasure Island Development Authority ("Authority") state that:

> **Section 10.** **Place of Directors' Meetings.** Meetings of the Board shall be held at the principal office of the Authority unless a different place is designated by resolution of the Board or in the notice of such meeting.
>
> **Section 11.** **Regular Meetings.** The Board by resolution may provide for the holding of regular meetings and may fix the time and place of holding such meetings.

Authority Board Resolution 99-01-01/20, approved January 20, 1999, set the current regular meeting location for Authority Board meetings as San Francisco City Hall Room 400. Authority Board Resolution 02-90-4/10, approved April 10, 2002, set the current regular meeting time and date for Authority Board meetings as the second Wednesday of each month at 1:30 PM. Today's item seeks to memorialize the regular meeting schedule of the Authority Board of Directors for FY 2011-2012. All monthly meetings shall continue to be held on the second Wednesday of each month at 1:30 PM at San Francisco City Hall Room 400, except for the April and November meetings which shall be held on Treasure Island at a place and time properly noticed to the public. Special meetings of the Authority Board of Directors, or subcommittees of the Authority Board of Directors, shall be properly scheduled and noticed to the public as the need for such meetings arises.

The proposed schedule captures the TIDA Board's discussion and action item during the December on-Island meeting in which members voted on the September election of officers, and agreed to hold two on-Island meetings.

Exhibit A: Schedule of Regular Meetings of the Authority Board of Directors for FY 2011-2012

RECOMMENDATION
Staff recommends approval of the Meeting Schedule as discussed above.

Prepared by Marianne Mazzucco Thompson
For Mirian Saez, Director of Island Operations

CITY & COUNTY OF SAN FRANCISCO
TREASURE ISLAND DEVELOPMENT AUTHORITY
1 AVENUE OF THE PALMS,
2ND FLOOR, TREASURE ISLAND
SAN FRANCISCO, CA 94130
(415) 274-0660 FAX (415) 274-0299

MIRIAN SAEZ
DIRECTOR OF ISLAND OPERATIONS

MEETING SCHEDULE
TREASURE ISLAND DEVELOPMENT AUTHORITY
BOARD OF DIRECTORS

FY 2011 - 2012

TIDA Board meetings are held the second Wednesday of each month at 1:30 p.m. in Room 400 at San Francisco City Hall, unless otherwise noticed.

July	13	1:30 p.m.
August	10	Cancelled, Summer Break
September	14	1:30 p.m., Election of Officers
October	12	1:30 p.m.
November	09	TBD/Meeting to be held on Treasure Island
December	14	1:30 p.m.
January	11	1:30 p.m.
February	08	1:30 p.m.
March	14	1:30 p.m.
April	11	TBD/Meeting to be held on Treasure Island
May	09	1:30 p.m.
June	13	1:30 p.m.

RECYCLED PAPER

[Approval of the Board of Directors Schedule of Meetings]

Resolution Approving the Treasure Island Development Authority Board of Directors Regular Meeting Schedule for FY 2011-2012.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America (the "Navy"); and,

WHEREAS, The Base was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the bylaws of the Authority, the Authority Board of Directors meets regularly on a monthly basis and also holds properly noticed additional as-needed special meetings throughout the year; and,

WHEREAS, the Authority wishes to memorialize the regular meeting schedule of the Board of Directors for Fiscal Year 2011- 2012; now, therefore be it

RESOLVED, That the Board of Directors hereby approves the Authority Board of Directors Regular Meeting Schedule for Fiscal Year 2011-2012 in the form attached hereto as Exhibit A

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 6K
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Authorizing a Fourth Amendment to the Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the Redevelopment of Former Naval Station Treasure Island (Action Item)

Contact: Michael Tymoff, Mayor's Office of Economic & Workforce Development

BACKGROUND

On April 9, 2003, after an almost 2-year public RFQ/RFP process soliciting a "master developer," the Treasure Island Development Authority (Authority or TIDA) approved entering into an Exclusive Negotiating Agreement (ENA) with Treasure Island Community Development, LLC (TICD) for the redevelopment of former Naval Station Treasure Island (NSTI). Among other things, the ENA outlined the structure by which the Authority and TICD would engage in good-faith negotiations for the planning and development of the island over the term of the ENA. At its September 14, 2005 meeting, the Authority approved the Amended and Restated Exclusive Negotiating Agreement (Amended ENA) which extended the term of the agreement through June 30, 2008. On July 26, 2006, the Authority approved an amendment to the Schedule of Performance to adjust the milestone date for approval of a Term Sheet to December 31, 2006. And on March 12, 2008, the Authority approved a second amendment to the Amended and Restated ENA that extended the term of the agreement and the milestone dates of the Schedule of Performance. The second amendment included language recognizing the uncertainty of the status of property transfer negotiations with the Navy and the relevance to the overall redevelopment planning schedule. It provided that if a term sheet was not reached with the Navy by December 31, 2008, that the ENA term and milestone dates in the Schedule of Performance would be extended one month for every month of delay in the term sheet with the Navy, with a maximum extension of six months (Maximum Navy Extension). A term sheet with the Navy was not reached by December 31, 2008 and in October 2009, the Authority passed a resolution authorizing an increase in the Maximum Navy Extension from six to twelve months. As a result, the term of the Amended ENA was extended for the maximum twelve months to December 31, 2010.

In December 2009, TIDA and the Navy reached agreement on the basic terms of a conveyance agreement for the transfer of former NSTI from the Navy to TIDA. This was a significant milestone for the project, removing substantial uncertainty as to the timing and terms of property conveyance. Based on the achievement of this milestone, TIDA and TICD negotiated an updated Schedule of Performance for obtaining final project approvals, including a Disposition and Development Agreement between TIDA and TICD (DDA), Development Agreement between the City and TICD (DA), and the completion of environmental review under CEQA. On

February 10, 2010, the Authority approved the Third Amendment to the Amended ENA, that among other things, extended the term of the negotiating period through June 30, 2011 and amended the Schedule of Performance for obtaining final project approvals.

Since that time, TIDA and TICD have continued to negotiate in good faith the final transaction documents in accordance with the terms of Amended ENA, including the DDA, DA and other necessary transaction documents, all as approved by Authority on April 21, 2011 and April 27, 2011, and by the Board of Supervisors on June 7, 2011 and June 14, 2011. On April 21, 2011, the Authority and the Planning Commission each certified the Treasure Island/Yerba Buena Island Redevelopment Project Environmental Impact Report (EIR).

On May 11, 2011, the Golden Gate Audubon, Sierra Club, Arc Ecology, Wild Equity, Kenneth Masters and Aaron Peskin (Appellants) filed an appeal of the certification of the EIR, however, on June 7, 2011 the Board of Supervisors upheld the certification of the EIR, and voted unanimously to approve the final transaction documents. While the Authority and Board of Supervisors have taken these actions approving the final transaction documents, staff anticipates the Appellants may take some form of further legal action that would seek to challenge the validity of any of these actions taken by the City or Authority with respect to the final transaction documents, the EIR, or the implementing General Plan and Planning Code amendments. Staff also anticipates that any such legal action may impair the Authority and TICD's ability to commence with the implementation of the Project during the time any such legal action is pending.

Therefore, staff is requesting the Authority Board's approval of a Fourth Amendment to the Agreement that would, among other things: (i) further extend the Exclusive Negotiation Period under the Agreement from June 30, 2011 to December 31, 2012 to allow sufficient time to complete the Schedule of Performance milestones, including the resolution of any legal challenges to the EIR or the transaction documents; (ii) revise the Required Completion Dates for the Schedule of Performance; and (iii) increase the reimbursement cap for the Authority's Transaction Costs from a total not-to-exceed amount of $8.5 million to a total not-to-exceed amount of $12.5 million.

Throughout the duration of the planning process under the ENA, TICD has dedicated the necessary resources and acted in good faith to move forward the planning and negotiations expeditiously. During this time, redevelopment planning in partnership with TICD has moved forward at full speed allowing for the final project approvals to be obtained on a timeframe consistent with the term of the Amended ENA. Therefore, while the Board of Supervisors voted unanimously to approve the DDA and DA on June 7 and June 14, 2011, it is prudent for the Authority and TICD to modify and extend the Amended ENA, recognizing the possibility that implementation of the Project may be impeded by a potential legal action or challenge, and to provide for an extended negotiating period and an increase in the reimbursement cap for the Authority's transaction costs in such an instance.

PROPOSED FOURTH AMENDMENT

Term. The term of the Amended ENA would be extended from June 30, 2011 to December 31, 2012, which is the required completion date for the Effectiveness of the Transaction Documents in the Schedule of Performance, as described below.

Schedule of Performance. A new Event, *4. Effectiveness of the Transaction Documents*, with a required completion date of December 31, 2012, would be added to the Schedule of Performance. The term "Effectiveness of the Transaction Documents" refers to the Effective Date of the DDA and DA and when all appeal and challenge periods have expired. If an appeal and/or a challenge is filed, including any CEQA lawsuit, the term refers to when a final decision has been made to uphold the effectiveness of the DDA or DA, without any material adverse effect on either the DDA or DA.

ENA Reimbursement Cap. The Amended ENA includes a provision that requires TICD to reimburse the Authority for 100% of its redevelopment planning costs, up to a maximum of $8.5 million. That cap amount would be adjusted by a total of $4 million from $8.5 million to $12.5 million to account for an additional $2 million in Authority costs anticipated to be incurred through the end of FY 10-11, and to provide an additional $2 million contingency amount to account for a potential extended negotiating period in the event that implementation of the Project is impeded by any legal action.

Language would also be added to clarify the distinction between: (a) TICD's obligations to reimburse the Authority for its transaction costs associated with negotiating the DDA and DA under the terms of the Amended ENA and (b) TICD's obligations to reimburse the Authority for its costs associated with implementing the Project as defined and governed by the DDA. Additional language would be added clarifying that Authority and City costs associated with defending third party challenges, including CEQA litigation, would not be subject to the Amended ENA's reimbursement cap, rather, TICD's obligations to reimburse the Authority and the City for such costs are governed by the DDA and DA, respectively.

Force Majeure. Language would be provided in the definition of "Litigation Force Majeure" to add the DA, EIR, or the implementing General Plan and Planning Code amendments to the list of actions taken by the Authority or City that if subject to legal challenge, could trigger an extension of the Amended ENA term for a maximum of three years from the expiration of the Amended ENA, thus allowing for sufficient time to resolve any legal actions related to the project approvals.

RECOMMENDATION

Staff recommends approval of the resolution authorizing a Fourth Amendment to the Amended ENA with TICD.

EXHIBITS

A Fourth Amendment to Amended and Restated ENA

FOURTH AMENDMENT TO AMENDED AND RESTATED
EXCLUSIVE NEGOTIATING AGREEMENT
(Naval Station Treasure Island)

This FOURTH AMENDMENT TO AMENDED AND RESTATED EXCLUSIVE NEGOTIATING AGREEMENT (NAVAL STATION TREASURE ISLAND) (this "**Fourth Amendment**") dated as of June 22, 2011 (the "**Reference Date**"), is between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California non-profit public benefit corporation (the "**Authority**"), and TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC, a California limited liability company ("**Developer**").

THIS FOURTH AMENDMENT IS ENTERED INTO WITH REFERENCE TO THE FOLLOWING FACTS AND CIRCUMSTANCES:

A. On or about June 1, 2003, the parties entered into an Exclusive Negotiating Agreement (the "**Original ENA**") dated as of such date setting forth the terms and conditions under which they are willing to negotiate (i) a disposition and development agreement and related ground leases and/or conveyance agreements, and (ii) other necessary transaction documents for the conveyance, management and redevelopment of the Property that is more particularly described in the Original ENA.

B. On or about September 14, 2005, the parties entered into an Amended and Restated Exclusive Negotiating Agreement (the "**Amended and Restated ENA**") dated as of such date amending and restating the Original ENA in its entirety.

C. The Amended and Restated ENA includes a Schedule of Performance that is attached to the Amended and Restated ENA as Exhibit B and incorporated therein. On or about July 1, 2006, the parties entered into an Amendment to the Schedule of Performance Set Forth in the Amended and Restated Exclusive Negotiating Agreement (the "**First Amendment**") amending the Schedule of Performance.

D. On or about March 12, 2008, the parties entered into a Second Amendment to Amended and Restated Exclusive Negotiating Agreement (the "**Second Amendment**") to, among other things, (i) further amend the Schedule of Performance and (ii) add a new Event #4 to the Schedule of Performance relating to the publication of the Draft Environmental Impact Report (the "**DEIR**"). On or about February 10, 2010, the parties entered into a Third Amendment to Amended and Restated Exclusive Negotiating Agreement (the "**Third Amendment**") to, among other things, (i) extend the Exclusive Negotiation Period through June 30, 2011 and (ii) further amend the Schedule of Performance.

E. The Amended and Restated ENA, the First Amendment, the Second Amendment and the Third Amendment are collectively referred to in this Fourth Amendment as the "**Agreement**". Capitalized terms that are not defined in this Fourth Amendment have the meanings set forth in the Agreement.

F. The parties have negotiated the Transaction Documents in accordance with the terms of the Agreement, which Transaction Documents include the DDA, a Development

Agreement by and between Developer and the City (the "**Development Agreement**"), and other necessary transaction documents, all as approved by the Authority on April 21, 2011 and April 27, 2011, and by the Board of Supervisors on June 7, 2011 and June 14, 2011. On April 21, 2011, the Authority Board and the Planning Commission certified the Treasure Island/Yerba Buena Island Redevelopment Project Environmental Impact Report (the "**EIR**"), which certification was upheld by the Board of Supervisors on June 7, 2011.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Authority and Developer agree as follows:

1. **Effective Date.** This Fourth Amendment shall become effective (the "**Fourth Amendment Effective Date**") on the later of: (i) the date this Fourth Amendment is fully executed and delivered by the parties hereto, and (ii) the date that the Authority Board approves this Fourth Amendment.

2. **Term.** Section 2 (Term) of the Agreement shall be amended to read in its entirety as follows:

"2. **Term**. The term of the Exclusive Right commenced as of the Effective Date of this Agreement and shall expire on the date set forth in the Schedule of Performance for the Effectiveness of the Transaction Documents, unless extended in accordance with Section 4 below or terminated in accordance with the provisions of this Agreement (the "Exclusive Negotiation Period"). Unless extended, this Agreement shall automatically terminate upon the expiration of the Exclusive Negotiation Period and neither party shall have any further rights or obligations except with respect to those matters that survive termination under Section 12.13. For purposes hereof, the "**Effectiveness of the Transaction Documents**" shall mean the effectiveness of the Development Agreement and the DDA for all or substantially all of the Project and the expiration of any applicable appeal periods to the DDA, the Development Agreement, or their underlying implementing approvals, including certification of the EIR, without challenge or appeal, or if a challenge or an appeal is filed, such effectiveness shall have been upheld by a final decision in each such challenge or appeal without any material adverse effect on the Development Agreement and DDA."

3. **Amendment of Schedule of Performance**. The Schedule of Performance attached to the Agreement as Exhibit B is hereby amended to replace item 3 in its entirety and to add a new item 4, as follows:

Event	Require Completion Date
3. Approval of Transaction Documents by Authority Board and City's Board of Supervisors, after community review by TICAB, and after completion of all required environmental review under CEQA and the adoption of required general	June 30, 2011

plan and planning code amendments, and subject to all Regulatory Approvals.	
4. Effectiveness of the Transaction Documents	December 31, 2012

4. **Force Majeure.**

a. The last sentence of Section 4.0 (Force Majeure) is hereby amended to add the language underlined below, as follows:

> "However, if the parties, despite the Developer having negotiated in good faith in accordance with this Agreement, are unable to meet the required completion date for approval of the Transaction Documents, or Effectiveness of the Transaction Documents, as those dates are set forth in the attached Schedule of Performance due to Force Majeure or Litigation Force Majeure (as such terms are defined below), then the Developer shall have the right, at its option, to extend the Exclusive Negotiation Period, upon the following terms and conditions."

b. The language in Section 4(a), clause (1)(a) within the definition of "Litigation Force Majeure" is hereby replaced with the underlined language as follows:

> (a) the validity of any action taken by the City or Authority with respect to the Transaction Documents, the Development Agreement, the EIR, or the implementing General Plan and Planning Code amendments, including the Authority's selection of the Developer as the primary developer of the Property, the approval by the Authority and/or the City of any of the proposed Transaction Documents, the performance of any action required to be performed by the Authority or City hereunder, or under the proposed Transaction Documents, or any findings upon which any of the foregoing are predicated, or"

c. The first sentence of Section 4(b) (Force Majeure Extension Notice) is hereby amended to add the language underlined below as follows:

> By the required completion date for approval of the Transaction Documents or Effectiveness of the Transaction Documents set forth in the Schedule of Performance, the Developer shall give the Authority written notice of the Developer's election to extend the Exclusive Right (the "Force Majeure Extension Notice").

5. **Authority Reimbursement Cap**. The second paragraph of subsection (b) of Section 3.2 (which is incorrectly numbered as Section 2.1 in the Agreement) shall be amended to read in its entirety as follows:

"Developer hereby agrees to pay for a portion of the Authority's Transaction Costs in an amount not to exceed Twelve Million Five Hundred Thousand Dollars ($12,500,000.00) during the Exclusive Negotiation Period, including any extension periods (the "**Authority Reimbursement Cap**"). From and after the Effective Date of the DDA, as defined in the DDA, and continuing during any period that this Agreement and the DDA both remain in effect, Developer's payment of Authority Costs, as defined in the DDA, shall be governed by Section 19 of the DDA. In the event that the DDA terminates after the Effective Date, but this Agreement continues to remain in effect, Developer's payment of Authority's Transaction Costs shall be governed by this Agreement. The Authority Reimbursement Cap shall only apply to Developer's payment of Authority's Transaction Costs in accordance with this Agreement, and shall not apply to: (i) Developer's payment of Authority Costs, which shall be governed by Section 19 of the DDA; (ii) Developer's obligation for payment of Losses as defined in the Development Agreement, which shall be governed by Section 4.4. of the Development Agreement; (iii) Developer's obligation for payment of City Costs, which shall be governed by Section 4.3 of the Development Agreement; or (iv) Developer's obligation to reimburse the City for its actual costs in defense of a third party challenge, which shall be governed by Section 6.3 of the Development Agreement."

6. **Guaranty**. Upon Authority's receipt of the Base Security meeting the requirements set forth in Section 26.2 of the DDA, Authority shall release and return the original project guaranty provided by Lennar in connection with this Agreement, dated as of June 1, 2003, and such Base Security provided under the DDA shall secure Developer's obligations under this Agreement so long as this Agreement remains in effect.

7. **Ratification of Representations and Warranties of the Developer**. As of the Reference Date, Developer confirms and ratifies all of the representations and warranties set forth in the Agreement, as amended by this Fourth Amendment.

8. **Governing Law**.

This Fourth Amendment shall be governed by and construed in accordance with the laws of the State of California. As part of the consideration for the Authority's entering into this Fourth Amendment, Developer agrees that all actions or proceedings arising directly or indirectly under this Fourth Amendment may, at the sole option of the Authority, be litigated in courts located within the City and County of San Francisco, State of California, and Developer expressly consents to the jurisdiction of any such local, state, or federal court, and consents that any service of process in such action or proceeding may be made by personal service upon Developer wherever Developer may then be located, or by certified or registered mail directed to Developer at the address set forth in the Agreement, as amended by this Fourth Amendment.

9. **Miscellaneous**.

Except as expressly modified herein, the terms, covenants and conditions of the Agreement, as amended by this Fourth Amendment shall remain in full force and effect. Subject to Section 28.34 of the DDA, this Fourth Amendment constitutes the entire agreement of the parties concerning the subject matter hereof, and supersedes and conceals any and all previous

negotiations, agreements, or understandings, if any, regarding the matters contained herein. This Fourth Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The execution of this Fourth Amendment shall not constitute a waiver of relinquishment of any rights which the Authority may have relating to the Agreement, as amended by this Fourth Amendment. The Authority and Developer hereby ratify and confirm all of the provisions of the Agreement as amended by this Fourth Amendment.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Authority and Developer have duly executed and delivered this Fourth Amendment as of the Fourth Amendment Effective Date.

AUTHORITY:

Pursuant to Authority Board Resolution No. 11-__-__/__, Adopted on June 22, 2011

TREASURE ISLAND DEVELOPMENT AUTHORITY, a California non-profit public benefit corporation

By: _____
Name: Rich Hillis
Title: Treasure Island Development Project Director

APPROVED AS TO FORM:

DENNIS J. HERRERA
City Attorney

By: _____
Name: _____
Title: Deputy City Attorney

DEVELOPER:

TREASURE ISLAND COMMUNITY DEVELOPMENT, LLC,
a California limited liability company

By: UST Lennar HW Scala SF Joint Venture
a Delaware general partnership
its co-Managing Member

By: _____
Name: Kofi Bonner
Its: Authorized Representative

By: KSWM Treasure Island, LLC,
a California limited liability company
its co-Managing Member

By: Wilson Meany Sullivan Treasure Island, LLC,
a California limited liability company
its _____

By: _____
Name: _____
Title: _____

THIS FOURTH AMENDMENT HAS BEEN REVIEWED AND CONSENTED TO BY:

GUARANTOR:

LENNAR CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

[Fourth Amendment to Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC]

Resolution Authorizing a Fourth Amendment to the Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) authorized the City's Board of Supervisors to designate the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island ("the Base"), and (ii) with respect to those portions of the Base that are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Board of Supervisors designated the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, On April 9, 2003, the Authority Board approved the Exclusive Negotiating Agreement (the "Original ENA") with Treasure Island Community Development, LLC ("TICD"), which sets forth the terms and conditions under which the Authority and TICD are willing to negotiate (i) a Disposition and Development Agreement ("DDA") and related ground leases and/or conveyance agreements, and (ii) other necessary transaction documents for the

conveyance, management and redevelopment of certain portions of the Base that are more particularly described in the Original ENA (the "Property"); and,

WHEREAS, On September 14, 2005, the Authority Board approved an Amended and Restated Exclusive Negotiating Agreement (the "Amended and Restated ENA") amending and restating the Original ENA in its entirety and including a Schedule of Performance; and,

WHEREAS, On July 26, 2006, the Authority Board approved an Amendment to the Schedule of Performance Set Forth in the Amended and Restated Exclusive Negotiating Agreement (the "First Amendment") that amended the Schedule of Performance; and,

WHEREAS, On March 12, 2008, the Authority Board approved a Second Amendment to Amended and Restated Exclusive Negotiating Agreement (the "Second Amendment") that, among other things, (i) further amended the Required Completion Dates for the Schedule of Performance, (ii) added a new Event #4 to the Schedule of Performance relating to the publication of the Draft Environmental Impact Report ("DEIR"), and (iii) added a new Section 5.4 providing that if the Authority and the Navy do not execute a Term Sheet for the conveyance and transfer of the Property prior to or on December 31, 2008, then the Exclusive Negotiation Period and the Required Completion Dates in the Schedule of Performance would automatically be extended one (1) month for each month's or partial month's delay after December 31, 2008 in executing the Navy Term Sheet, not to exceed six (6) months unless extended by the Authority Board in its sole and absolute discretion (the “Navy Extension Period”); and,

WHEREAS, On February 10, 2010, the Authority Board approved a Third Amendment to Amended and Restated Exclusive Negotiating Agreement (the “Third Amendment”) to, among other things, (i) extend the Exclusive Negotiation Period through June 30, 2011 and (ii) further amend the Schedule of Performance; and,

WHEREAS, The Original ENA, the First Amendment, the Second Amendment and Third Amendment are collectively referred to herein as the "Agreement" and capitalized terms not defined herein shall have the meaning provided in the Agreement; and,

WHEREAS, the Authority and TICD have negotiated the Transaction Documents in accordance with the terms of this Agreement, which Transaction Documents include the DDA, a Development Agreement by and between Developer and the City (the "Development Agreement"), and other necessary transaction documents, all as approved by Authority on April 21, 2011 and April 27, 2011, and by the Board of Supervisors on June 14, 2011. On April 21, 2011, the Planning Commission and Authority certified the Treasure Island/Yerba Buena Island Redevelopment Project Environmental Impact Report (the "EIR"), which certification was upheld by the Board of Supervisors on June 7, 2011; and,

WHEREAS, The Exclusive Negotiation Period and the Required Completion Dates for the Schedule of Performance are scheduled to expire on June 30, 2011; and,

WHEREAS, On May 11, 2011, the Golden Gate Audubon, Sierra Club, Arc Ecology, Wild Equity, Kenneth Masters and Aaron Peskin ("Appellants") filed an appeal of the certification of the EIR; and,

WHEREAS, On June 7, 2011 the certification of the EIR was upheld by the Board of Supervisors; and,

WHEREAS, Staff anticipates the Appellants may take some form of further legal action that would seek to challenge the validity of any action taken by the City or Authority with respect to the Transaction Documents, the Development Agreement, the EIR, or the implementing General Plan and Planning Code amendments; and,

WHEREAS, Staff anticipates that any such legal action may impair the Authority and TICD's ability to meet the Required Completion Dates for the Agreement's Schedule of Performance; and,

WHEREAS, Staff is requesting the Authority Board's approval of a Fourth Amendment to the Agreement that would, among other things, (i) further extend the Exclusive Negotiation Period under the Agreement to December 31, 2012 to allow sufficient time to complete the Schedule of Performance milestones; (ii) revise the Required Completion Dates for the Schedule of Performance; and (iii) increase the reimbursement cap for the Authority's Transaction Costs; and,

WHEREAS, Staff believes that extending the Exclusive Negotiation Period and the Required Completion Dates are appropriate because (i) TICD has committed the necessary resources to negotiate in good faith with the Authority and the City to obtain all necessary Project approvals; (ii) the package of public benefits associated with the proposed project that are at stake for the Authority and the City is unprecedented in the City's history and merit taking all actions necessary to enable the implementation of the Project in order to deliver them; and (iii) TICD has, for the past eight years, reimbursed the Authority for 100% of its redevelopment planning costs under the terms of the Agreement; now, therefore, be it

RESOLVED, That the Authority Board hereby approves and authorizes the Treasure Island Development Project Director to execute a Fourth Amendment to the Amended and Restated Exclusive Negotiating Agreement (the "Fourth Amendment") in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Authority Board hereby authorizes the Treasure Island Development Project Director to make any additions, amendments or other modifications to the Fourth Amendment that the Treasure Island Development Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Fourth Amendment, such determination to be conclusively evidenced by

the execution and delivery by the Development Project Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____
Jean-Paul Samaha, Secretary

AGENDA ITEMS 6L and 6M
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 22, 2011

Subject: Resolution Approving the Eighth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC to Extend the Time for Exclusive Negotiations for the Redevelopment of the Treasure Island Marina *(Action Item)*

Resolution Approving a Fifth Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC for the Redevelopment of the Treasure Island Marina *(Action Item)*

Contact Jon Yolles, Project Manager, Office of Economic & Workforce Development
Rich Hillis, Director of Redevelopment, Office of Economic and Workforce Development

BACKGROUND

The Authority originally intended that the redevelopment of the Treasure Island marina would precede master development of the remainder of former Naval Station Treasure Island. Consequently, on January 21, 1998, the Authority issued a Request for Proposals (RFP) related to the development and expansion of the Treasure Island Marina. Based on that RFP process, on February 10, 1999, the Authority authorized staff to prepare an Exclusive Negotiating Agreement (ENA) with Treasure Island Enterprises, LLC (TIE), which was executed on June 9, 1999.

To date, the Authority and TIE have completed several milestones including an initial agreement (and subsequent extensions) with TIE for the interim operation of the existing marina, the preparation of a preliminary development concept (PDC) for the marina expansion, a Term Sheet. The Term Sheet outlines all of the key terms and conditions of a Disposition and Development Agreement (DDA) and a long-term lease for the marina. While the TIDA Board has already approved the terms of the DDA and lease, the process of finalizing the DDA has been delayed because of the delays associated with negotiating the transfer of the property from the Navy to the Authority.

ENA Extension

TIE has requested seven previous extensions of the ENA and is requesting an eighth extension to complete the transaction documents. Although the San Francisco Board of Supervisors unanimously approved the TICD DDA and related transaction documents for the master

development of Treasure Island on June 7, 2011, the need for the extension is due to various factors that remain beyond control of TIE, including:

- ***Transfer of the Property from the Navy to the Authority.*** Expansion and development of the marina cannot be implemented until the property is conveyed from the Navy. While a Memorandum of Agreement has been reached between the Navy and the Authority, it has not been executed, and conveyance is not anticipated until at least early 2012. Additionally, conveyance is subject to any legal action seeking to challenge the validity of any City or Authority actions in connection with the project, including the Environmental Impact Report.

- ***Environmental Remediation.*** The boundaries for the expanded marina contain at least one installation restoration (IR) site that requires additional investigation to determine the activities necessary to attain site closure. Until the site receives regulatory clearance (or the Authority takes the parcels via an "early transfer"), the area cannot be conveyed to the Authority.

This Eighth Amendment to the ENA with TIE would extend the term of exclusive negotiations through December 31, 2012 and deletes the now obsolete concept of an outside date for the execution of the TICD DDA. The Eight Amendment also acknowledges that $25,000 in staff costs of the originally negotiated $75,000 has been spent to date.

Fifth Addendum to Term Sheet

The original Term Sheet for development and expansion of the Treasure Island Marina, approved by the Authority on November 14, 2001, contemplated that development of the marina would occur in two phases – a first phase waterside expansion, and a later, second phase of landside improvements and facilities timed to synchronize with master development of the entirety of Treasure Island. After approval of the term sheet with TIE, the Authority entered into exclusive negotiations with TICD for master development of the island and initiated a planning process that included the same landside portion that was included in the TIE marina expansion plans.

In order to provide clarity, on November 10, 2004 the Authority approved an Addendum to the TIE term sheet providing that TICD should have the first option to develop the area included in the landside portion of the marina term sheet (Landside Area). It also required TICD to develop this area in a manner consistent with the waterside improvements made by TIE, including sufficient parking, restrooms and support facilities, and utility connections and services, among others.

The original Addendum provided TICD the first option to develop the Landside Area, but provided that TIE could exercise its right to develop the Landside Area if the DDA between the Authority and TICD was not executed by December 31, 2006. A Second Addendum to the term sheet extended the date to December 31, 2008, a Third Addendum to the term sheet extended the date to December 31, 2010, and a Fourth Addendum to the Term Sheet extended the date to June 30, 2011 .

In light of the approval of the DDA and related documents with TICD, TIE and the Authority staff wish to enter into a Fifth Addendum to reflect that the Term Sheet be amended to (i) delete the outside date for execution of the TICD DDA, and (ii) to acknowledge certain terms of the TICD DDA relating to the Phase II Landside Improvements. The TICD provides further clarity that TICD shall have the right to commence construction of the Marina-related landside improvements for up to five years after the DDA effective date. Should TICD fail to construct the landside improvements within the five-year period, the Authority may terminate TICD's right in the Authority's sole discretion, and give the right to construct the Landside Improvements, subject to the Design for Development, to TIE at TICD's sole cost and expense.

RECOMMENDATION

Staff recommends approval of the extension of the ENA and the Term Sheet addendum with TIE.

EXHIBITS

A Eighth Amendment to ENA between the Authority and TIE

B Fifth Addendum to Term Sheet with TIE

EIGHTH AMENDMENT TO

EXCLUSIVE NEGOTIATING AGREEMENT

THIS EIGHTH AMENDMENT TO EXCLUSIVE NEGOTIATING AGREEMENT (this "Eighth Amendment") is made and entered into as of the 22nd day of June, 2011, by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY ("Authority"), a California non-profit public benefit corporation, and TREASURE ISLAND ENTERPRISES, LLC, a California limited liability corporation ("Developer"). (Collectively, the Authority and the Developer shall be referred to as the "Parties").

RECITALS

WHEREAS, the Authority and the Developer are parties to that certain Exclusive Negotiating Agreement dated June 22, 1999 (the "Original Agreement") pursuant to which the Parties agreed, among other things, to negotiate in good faith with each other to enter into (i) a Disposition and Development Agreement ("DDA") and any related Ground Leases related to the development and expansion of the Treasure Island Marina ("Marina"), (ii) a Sublease for the interim operation of the Marina, and (iii) any other necessary transaction documents (collectively, the "Transaction Documents"); and,

WHEREAS, the initial term of the Agreement was for one year with one six-month extension option (the "Extension Option"), and the Developer duly exercised its Extension Option in accordance with the Original Agreement; and,

WHEREAS, the Parties have entered into the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment and Seventh Amendment to the Exclusive Negotiating Agreement to further extend the term; and,

WHEREAS, the Original Agreement, as modified by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment and Seventh Amendment to the Exclusive Negotiating Agreement, are collectively referred to in this Eighth Amendment as the "Agreement"; and,

WHEREAS, capitalized terms not otherwise defined in this Eighth Amendment shall have the meanings given in the Agreement; and,

WHEREAS, due to circumstances beyond Developer's control, including but not limited to, the failure of the Authority and the United States Navy to complete the transfer of the Property from the Navy to the Authority, and the Authority's decision not to pursue the reuse and development of the Base as a redevelopment project due to the uncertain future of redevelopment under California Community Redevelopment Law, the Parties have not completed the final Transaction Documents, as defined in the Original Agreement; and,

WHEREAS, the Parties wish to further extend the term of the Agreement.

NOW THEREFORE, the Authority and the Developer agree as follows:

1. The last two sentences of Subsection 4(a) of the Agreement are hereby deleted in their entirety and replaced with the following:

> "If the Developer has duly exercised the Developer's Extension Option pursuant to this subsection 4(a), is not in default under this Agreement, and no event shall have occurred which, with the giving of notice or the passage of time, or both, would constitute such a default, the Treasure Island Project Director shall extend the period of such Extension Option until the earlier to occur of (i) the date that the Authority and the Developer enter into a DDA for the Marina, (ii) this Agreement is earlier terminated pursuant to the terms of this Agreement, or (iii) December 31, 2012; provided, that the Treasure Island Project Director determines that the inability to complete the Transaction Documents within the initial term as extended by the Extension Option was beyond the Developer's control. Except as otherwise provided in Section 4(b) below, no further extensions beyond the Extension Option described in this Section are permitted under this Agreement."

2. Subsection 4(b) of the Agreement is hereby deleted in its entirety.

3. The Parties hereby acknowledge that as of the date of this Eighth Amendment, the Authority has incurred Twenty-Five Thousand Dollars ($25,000.00) in Transaction Costs. In the event the remaining balance of the Transaction Costs Deposit is not sufficient to complete the Transaction Documents, the Parties will negotiate in good faith regarding an equitable increase in the Transaction Costs Deposit.

4. Except as otherwise expressly amended by this Eighth Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Authority and the Developer have duly executed and delivered this Seventh Amendment as of the date first written above.

AUTHORITY:	DEVELOPER:
TREASURE ISLAND DEVELOPMENT AUTHORITY, a California non-profit public benefit a California limited liability company corporation	TREASURE ISLAND ENTERPRISES, LLC,
	By: OA3, LLC, a California limited liability corporation
By: _____	By _____
Name: _____	Name: _____
Its: _____	Its: _____

APPROVED AS TO FORM:

Dennis J. Herrera,
City Attorney

By _____
Eileen M. Malley
Deputy City Attorney

[Amendment to Marina Exclusive Negotiating Agreement]

Resolution approving the Eighth Amendment to the Exclusive Negotiating Agreement with Treasure Island Enterprises, LLC, to extend the time for exclusive negotiations for the development of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) granted to the Board of Supervisors the power to designate the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, At its regular meeting on February 10, 1999, the Board of Directors of the Authority adopted Resolution No. 99-09-2/10 authorizing the Executive Director of the

Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the development of the Treasure Island Marina; and,

WHEREAS, Pursuant to Resolution No. 99-20-6/9, on June 22, 1999, the Authority entered into a 12-month Exclusive Negotiating Agreement with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its 6-month Extension Option; and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base (as amended from time to time, the "TICD ENA"); and,

WHEREAS, The Authority Board has authorized extensions of the ENA, including most recently on February 10, 2010, that (1) extended the term of the Extension Option under Section 4(a) of the ENA until the earlier to occur of the date that (i) the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) June 30, 2011, and (2) extended the "Upset Date" for the ENA extension right under Section 4(b) of the ENA until December 31, 2011; and,

WHEREAS, The transfer of the property from the Navy, which will enable the expansion of the Marina, has not yet been consummated; and,

WHEREAS, The Authority staff recommends that the term of the Extension Option under Section 4(a) of the ENA be extended until the earlier to occur of (i) the date that the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the

date that the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) December 31, 2012; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves and authorizes the Treasure Island Project Director to execute an Eighth Amendment to the Exclusive Negotiating Agreement substantially the form attached hereto as Exhibit A to, among other things, extend the term of the Extension Option under Section 4(a) of the ENA until the earlier to occur of (i) the date that the Authority and TIE enter into a disposition and development agreement for the Marina, (ii) the date that the ENA is earlier terminated pursuant to the terms of the ENA, or (iii) December 1, 2012; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Project Director to enter into any additions, amendments or other modifications to the Eighth Amendment that the Treasure Island Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Eighth Amendment, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Project Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

Jean-Paul Samaha
Secretary

Fifth Addendum to

Term Sheet

This Fifth Addendum to Term Sheet ("Fifth Addendum") is executed as of June 22, 2011, between the Treasure Island Development Authority (the "Authority") and Treasure Island Enterprises, LLC ("TIE"), with respect to and as an amendment to that certain Term Sheet dated November 8, 2000 (the "Original Term Sheet"), as amended by the Addendum to Term Sheet dated as of November 10, 2004 (the "First Addendum"), the Second Addendum to Term Sheet dated as of October 10, 2007 (the "Second Addendum"), the Third Addendum to Term Sheet dated as of December 31, 2008 (the "Third Addendum"), and the Fourth Addendum to Term Sheet dated as of February 10, 2010 (the "Fourth Addendum"), summarizing the basic terms of a proposed lease disposition and development agreement ("DDA") between the Authority and TIE for the development of the Treasure Island Marina (the "Marina") pursuant to an Exclusive Negotiating Agreement between the Authority and TIE for the Marina ("ENA"). The Original Term Sheet, the First Addendum, the Second Addendum, the Third Addendum, the Fourth Addendum, and this Fifth, Addendum are collectively referred to herein as the "Term Sheet." Capitalized terms not otherwise defined in this Fifth Addendum shall have the meaning given in the Term Sheet. This Fifth Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Fifth Addendum, the provisions of this Fifth Addendum shall govern and supersede any such inconsistent provisions of the Term Sheet.

Facts

This Fifth Addendum is made with reference to the following facts:

A. The ENA and Term Sheet provide for a DDA and Ground Lease of certain land and water areas on Treasure Island and in Clipper Cove for the development of the Marina in two phases: (i) the Phase I Waterside Improvements, and (ii) the Phase II Landside Improvements, all in substantial accordance with a preliminary development concept attached as Exhibit A to the Term Sheet.

B. The Original Term Sheet provides that TIE shall have an option to develop the Phase II Landside Improvements once (i) TIE has completed the Phase I Waterside Improvements, (ii) the Master Developer has completed certain infrastructure improvements to Treasure Island known as the Basic Base Improvements or, in the alternative, that TIE agrees to provide the same, and (iii) other conditions set forth in the Original Term Sheet have been satisfied.

C. Subsequent to approving the Original Term Sheet, the Authority entered into an exclusive negotiating agreement ("TICD ENA") with Treasure Island Community Development, LLC ("TICD") to be the "Master Developer" of the former Naval Station Treasure Island (the "Base"). The TICD ENA contemplates the execution of a disposition and development agreement ("TICD DDA") between the Authority and TICD for the master development of the Base. Some of TICD's preliminary plans may have conflicted with the provision for Phase II Landside Improvements in the Original Term Sheet. The Authority and TIE executed the First Addendum to eliminate such potential conflicts and provide TICD the first option to develop the area allocated for the Phase II Landside Improvements in a manner that will be consistent with development by TIE of the Phase I Waterside Improvements for the Marina.

D. TICD's first option to develop the area allocated for the Phase II Landside Improvements is subject to certain terms and conditions described in the First Addendum, as amended, including the condition that the TICD DDA shall be executed by June 30, 2011 (the "TICD DDA Completion Date").

E. On April 21, 2011, the Authority's Board of Directors approved the TICD DDA and related transaction documents for the master development of the Base. On June7, 2011, the San Francisco Board of Supervisors unanimously approved the TICD DDA and related transaction documents.

F. The parties desire to amend the Term Sheet by this Fifth Addendum to (i) delete the condition in Section 2(a) of the First Addendum, as amended, relating to execution of the TICD DDA prior to the TICD DDA Completion Date, and (ii) revise Section 2(c) of the First Addendum, as amended, to acknowledge the terms of the TICD DDA..

Agreement

In consideration of the foregoing facts, the Authority and TIE hereby amend the Term Sheet as set forth in this Fifth Addendum.

1. Section 2 (a) of the First Addendum, as amended, is hereby deleted in its entirety.

2. The following is added to the end of Section 2(c) of the First Addendum, as amended:

", and TIE hereby acknowledges that Section 8.3 of the TICD DDA complies with the requirements of this Section 2(c) with respect to the terms of the TICD DDA"

3. This Fifth Addendum amends the Term Sheet, and to the extent that any provisions of the Term Sheet are inconsistent or conflict with the provisions of this Fifth Addendum, the provisions of this Fifth Addendum shall govern the drafting of the DDA and supersede any such inconsistent provisions of the Term Sheet. Except as expressly amended by this Fifth Addendum, all of the terms and conditions of the Term Sheet shall remain in full force and effect.

Read and approved by:

AUTHORITY:	TIE:
TREASURE ISLAND DEVELOPMENT AUTHORITY, a California non-profit public benefit a California limited liability company corporation	TREASURE ISLAND ENTERPRISES, LLC
	By: OA3, LLC, a California limited liability corporation
By: _____	By: _____
Name: _____	Name: _____
Its: _____	Its: _____

[Addendum to Marina Term Sheet]

Resolution approving a Fifth Addendum to the Term Sheet for the Disposition and Development Agreement and Ground Lease between the Treasure Island Development Authority and Treasure Island Enterprises, LLC, for the development of the Treasure Island Marina.

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (i) granted to the Board of Supervisors the power to designate the Authority as a redevelopment agency under California redevelopment law with authority over former Naval Station Treasure Island (the "Base"), and (ii), with respect to those portions of the Base which are subject to the public trust for commerce, navigation and fisheries (the "Tidelands Trust"), vested in the Authority the authority to administer the Tidelands Trust as to such property; and,

WHEREAS, The Tidelands Trust prohibits the sale of Tidelands Trust property into private ownership, generally requires that Tidelands Trust property be accessible to the public and encourages public oriented uses of trust property that, among other things, attract people to the waterfront, promote public recreation, protect habitat and preserve open space; and,

WHEREAS, The Board of Supervisors approved the designation of the Authority as a redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated February 6, 1998; and,

WHEREAS, Under the Act and the Authority's Articles of Incorporation and Bylaws, the Authority, acting by and through its Board of Directors, has the power, subject to applicable laws, to sell, lease, exchange, transfer, convey or otherwise grant an interest in or right to use or occupy all or any portion of the real property located on the Base; and,

WHEREAS, On February 17, 1999, the Board of Directors of the Authority authorized the Executive Director of the Authority to enter into exclusive negotiations with Treasure Island Enterprises, LLC ("TIE") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, On June 22, 1999, the Executive Director of the Authority entered into a 12-month Exclusive Negotiating Agreement (the "Marina ENA") with TIE with one 6-month extension option (the "Extension Option") for the redevelopment of the Treasure Island Marina; and,

WHEREAS, The initial 12-month term expired and TIE duly exercised its Extension Option; and,

WHEREAS, On November 4, 2001, the Authority approved a detailed term sheet (the "Marina Term Sheet") as the basis for a Disposition and Development Agreement and Ground Lease for the redevelopment of a new Marina in Clipper Cove, including certain landside improvements (the "Phase II Landside Improvements"); and,

WHEREAS, After issuing a request for proposals, the Authority entered into another exclusive negotiating agreement (the "TICD ENA") with Treasure Island Community Development, LLC ("TICD") for the master development of the remainder of the Base; and,

WHEREAS, On November 10, 2004, the Authority approved an Addendum to the Marina Term Sheet (the "First Addendum") that subordinates TIE's rights to develop the Phase II Landside Improvements to any rights granted to TICD to develop the area on which the Phase II Landside Improvements were contemplated to be developed; and,

WHEREAS, The subordination of TIE's rights to develop the Phase II Landside Improvements is subject to certain terms and conditions set forth in the First Addendum ; and,

WHEREAS, On October 10, 2007, the Authority Board authorized the extension of the outside date for execution of the TICD DDA to December 31, 2008, on January 14, 2009, the

Authority Board authorized the further extension of such date to June 30, 2010, and on February 10, 2010, the Authority Board authorized the further extension of such date to June 30, 2011; and,

WHEREAS, On April 21, 2011, the Authority Board approved the TICD DDA and related transaction documents subject to Board of Supervisors approval; and,

WHEREAS, On June 7, 2011, the Board of Supervisors unanimously approved the TICD DDA and related transaction documents; and,

WHEREAS, The Authority staff recommends that Term Sheet be amended to (i) delete the outside date for execution of the TICD DDA, and (ii) acknowledge certain terms of the TICD DDA relating to the Phase II Landside Improvements; now, therefore, be it

RESOLVED, That the Board of Directors hereby approves the Fifth Addendum to the Marina Term Sheet and authorizes the Treasure Island Project Director to execute such Fifth Addendum in substantially the form attached hereto as Exhibit A; and, be it

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Project Director to enter into any additions, amendments or other modifications to the Fifth Addendum that the Treasure Island Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Fifth Addendum, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Project Director of the documents and any amendments thereto.

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CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

Secretary

AGENDA ITEM 6N
Treasure Island Development Authority
City and County of San Francisco
June 22, 2011

Subject: Resolution Authorizing an Amendment to the Contract with AMEC Geomatrix, Inc. to Extend the Term Through June 30, 2012 for Environmental Consulting Services (Action Item)

Contact: Michael Tymoff, Office of Economic and Workforce Development

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SUMMARY OF PROPOSED ACTION

Authorizing a Ninth Amendment to the contract with AMEC Geomatrix Consultants, Inc. extending the term of the contract for an additional twelve months through June 30, 2012.

BACKGROUND

AMEC Geomatrix, Inc. ("Contractor") was initially selected by the Department of Public Works (DPW) through a public Request for Proposals process as part of a pool of "as needed" consultants to provide environmental review and remediation activities. On February 12, 2003, the Authority authorized execution of a contract for a not-to-exceed amount of $541,000 to provide technical services related to monitoring the Navy's environmental remediation activities at Treasure Island. The contract was first amended in June 2004 to extend the term through August 31, 2004. Between 2004 and 2009 the Authority approved Second, Third, Fourth, Fifth, Sixth, Seventh and Eighth contract amendments extending the term through June 30, 2011 and augmenting the budget consistent with additional years of scope to a total not-to-exceed amount of $1,799,000.

At a February 22, 2006 meeting staff requested direction from the Authority Board regarding the need for the environmental engineering services, currently provided by Contractor, going forward. Staff indicated that there were two primary options for contracting for the necessary services: (1) to rely on the prior competitive solicitation in which Contractor was selected and amend the existing contract, understanding that this would require approval of the contract from the Board of Supervisors who are required to approve the Authority contracts of more than $1,000,000; or (2) initiate a re-bid of the contract process by issuing a Request for Proposals and engaging in a new competitive solicitation process. The Authority Board directed staff to continue to contract with Contractor based on the following factors:

- The importance of maintaining continuity of oversight of the Navy's environmental program;

- A high level of satisfaction with the services being provided by Contractor and the established relationships Contractor has with the Navy and local, state and federal regulatory agencies;
- The potential problems associated with the learning curve that would be inherent with bringing a new engineering team up to speed; and,
- The understanding that there will be a more logical point at a later stage of the project in which to engage in a subsequent competitive selection process for continued environmental engineering services.

The Eighth Amendment to the contract was approved by the Authority Board on July 1, 2010 based on these same factors, which will also remain the same for the upcoming FY 2011-2012.

Scope of Services

The scope of work for the Contractor contract consists of (i) oversight of the Navy's remediation program, and (ii) assisting the Authority in property transfer negotiations with the Navy and to represent and protect the Authority's interest in being able to carrying out its obligations pursuant to the Disposition and Development Agreement (DDA) between the Authority and TICD. The two primary components of the Contractor's scope of work are summarized below.

Task A. Oversight of Navy Clean-up Program. As part of its transfer responsibilities, and pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), the Navy has been undertaking an environmental remediation program to meet federal and state requirements for transferring the base to the Authority in an environmental condition to support the Authority's redevelopment plans. One of the Authority's primary responsibilities is to closely monitor the Navy's environmental remediation activities to ensure that the Navy achieves the appropriate clean-up levels for planned civilian use. The Contractor's scope of work regarding this process is as follows:

- Attend and prepare information for monthly technical meetings that are held to review the status of on-going tasks and identify outstanding issues.
- Attend and prepare information for additional technical meetings to address significant issues identified at the monthly meeting.
- Attend and prepare materials for other supplemental meetings associated with risk communication and technical presentations to the Authority's management, regulators, and tenants.
- Review Navy work plans and reports which document their approach, confirm agreements between interested parties, and comply with regulatory requirements.
- At the Authority's request, oversee the Navy's field work or collect field samples to verify the adequacy of the Navy's work, or to fill a data gap critical to the Authority's needs that is not addressed by the Navy.

Task B. Assistance with Property Transfer and Master Developer Negotiations. The Authority has been in on-going discussions with the Navy in pursuit of property transfer for former NSTI.

Initially, the Authority intended to enter directly into a Guaranteed Fixed Price contract (GFP) to perform environmental remediation services associated with an Early Transfer agreement. The first step in this process was the issuance of a request for qualifications (RFQ) and selection of an environmental engineering and remediation contractor (CH2M Hill) to complete the cleanup under the GFP. On June 13, 2007, the Authority terminated the contract with CH2M Hill with the expectation that TICD would hire an environmental engineering firm to perform environmental remediation services associated with an Early Transfer agreement.

Under an Early Transfer, the Navy would not have fully completed the remediation of the property as required by the regulatory agencies, and the Authority would have been required to complete the required remaining environmental response or corrective actions as required by Federal and State regulators. As described above, it was anticipated TICD would perform this work on the Authority's behalf as part of its obligations under the final DDA.

Under the transfer terms agreed to in December 2009, the Authority and the Navy agreed that the Navy would satisfy all applicable statutory and regulatory requirements for its remaining remediation responsibilities for the property, and prepare a Finding of Suitability to Transfer (FOST) applicable to each transfer parcel. The FOST(s) will state the property is suitable for transfer and will further contain a description of any long-term remedies (including land use controls) and responsibilities for any applicable long term monitoring, maintenance and/or reporting. In 2006, the Navy issued a FOST for a large portion (approximately 170 acres) of the property. In 2010, the Navy issued a new FOST for an additional approximately 50 acres of dry lands on Treasure Island and approximately 500 acres of submerged lands.

The Authority and the Navy contemplate that the transfer of the property will ultimately take place in several large phases. At least two, and possibly more, phased transfers are likely to occur. The Authority and the Navy are cooperatively working towards aligning the Navy's schedule for their remaining cleanup responsibilities with the anticipated phasing of the redevelopment activities, so that FOST parcels can be transferred when needed to commence infrastructure and land improvements.

Services performed by Contractor under Task B will be similar to those previously envisioned, and will include peer review of property transfer documents, remediation contract agreements, and representing the interests of the Authority in carrying out both its obligations pursuant to the DDA between the Authority and TICD and it obligations pursuant to the Economic Development Conveyance Memorandum of Agreement (EDC MOA) between the Authority and the Navy . Contractor's remaining scope of work for Task B consists of the following:

- Provide technical support to the Authority throughout the property transfer process with the Navy, initial phases of Major Phase and Sub-Phase applications, land conveyance, site preparation and infrastructure construction activities pursuant to the DDA between the Authority and TICD , including peer review of documents and work products prepared by the Navy, TICD and their respective environmental consultants. Within this context, Contractor will review technical documents related to the transfer documents, FOST and supporting environmental

documents, including any associated legal and regulatory documents necessary to complete property transfer.

- Assist the Authority in preparing and presenting technical and financial information to the public and City officials; and attending technical and strategy meetings regarding the above.

PROPOSED CONTRACT AMENDMENT

Scope of Services and Budget. No changes are proposed to either the scope of services or budget. The scope of work will continue to consist of two distinct tasks ,Task A and Task B, as described above. Approximately $225,775 is remaining within the total not-to-exceed amount of $1,799,000 as approved by the Authority in the Eighth Amendment to the contract on July 1, 2010. Of this amount, approximately $11,250 per month (or $135,000 per year) is being budgeted for Contractor to perform its Task A services and approximately $7,565 per month (or $90,775 per year) is being budgeted for Contractor to perform its Task B activities. The contract will continue to be paid on a time and materials basis.

Term. The term of the amended contract will be extended through June 30, 2011.

Funds. While the proposed modification would not increase the total not-to-exceed amount of $1,799,000, the $225,775 has been included in the redevelopment planning portion of the Authority's FY 2011-2012 budget. Actual costs will be 100% reimbursed by TICD, under the terms of the Exclusive Negotiating Agreement between the Authority and TICD, and upon the Effective Date of the DDA, under the terms of section 19 of the DDA.

Board of Supervisors Approval. The Authority contracts in excess of $1,000,000 or 10 years require approval by the San Francisco Board of Supervisors. Consequently, approval of this contract amendment by the Authority Board will be subject to further approval by the Board of Supervisors.

RECOMMENDATION

Staff recommends approval of the Ninth Amendment to the contract with Contractor based on the following factors:

1. The modification is consistent with the Authority's desire to continue to monitor the Navy's clean-up program to be consistent with civilian reuse of the property and to support the property transfer and master developer negotiations.
2. Maintaining continuity of this oversight at a key point in the Navy's clean up process merits amending the existing contract.
3. The contract modification does not change the fundamental scope of services outlined in the original contract.

4. The funds to pay for the modified contract budget are available via sources identified above.

EXHIBITS

A. Ninth Amendment to Contract with AMEC Geomatrix, Inc.

TREASURE ISLAND DEVELOPMENT AUTHORITY
CITY AND COUNTY OF SAN FRANCISCO

NINTH AMENDMENT

THIS NINTH AMENDMENT (this "Amendment") is made as of June 22, 2011, in San Francisco, California, by and between AMEC Geomatrix, Inc. ("Contractor"), and the Treasure Island Development Authority, a California public benefit corporation ("Authority").

RECITALS

WHEREAS, Authority and Contractor have entered into the Agreement (as defined below); and

WHEREAS, Authority and Contractor desire to modify the Agreement on the terms and conditions set forth herein;

NOW, THEREFORE, Contractor and the Authority agree as follows:

1. **Definitions**. The following definitions shall apply to this Amendment:

(a) **Agreement.** The term "Agreement" shall mean the Agreement dated April 1, 2003 between Contractor and Authority, as amended by a First Amendment dated July 1, 2004, a Second Amendment dated November 10, 2004, a Third Amendment dated July 1, 2005, a Fourth Amendment dated July 1, 2006, a Fifth Amendment dated July 1, 2007, a Sixth Amendment dated July 1, 2008, a Seventh Amendment dated July 1, 2009, and a Eighth Amendment dated July 1, 2010.

(b) **Other Terms**. Terms used and not defined in this Amendment shall have the meanings assigned to such terms in the Agreement.

2. **Modifications to the Agreement**. The Agreement is hereby modified as follows:

(a) **Section 2, Term of the Agreement**, is hereby amended to read as follows:

Subject to Section 1, the term of this Agreement shall be from April 1, 2003 to June 30, 2012.

3. **Effective Date**. Each of the modifications set forth in Section 2 shall be effective on and after the date of this Amendment.

4. **Legal Effect**. Except as expressly modified by this Amendment, all of the terms and conditions of the Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Contractor and Authority have executed this Amendment as of the date first referenced above.

AUTHORITY	CONTRACTOR
_____ Rich Hillis, Treasure Island Development Project Director On behalf of Treasure Island Development Authority	By signing this Agreement, I certify that I comply with the requirements of the Minimum Compensation Ordinance, which entitle Covered Employees to certain minimum hourly wages and compensated and uncompensated time off. I have read and understood paragraph 35, the City's statement urging companies doing business in Northern Ireland to move towards resolving employment inequities, encouraging compliance with the MacBride Principles, and urging San Francisco companies to do business with corporations that abide by the MacBride Principles. _____ James C. Price, Vice President AMEC Geomatrix, Inc. 2101 Webster Street 12th Floor Oakland, CA 94612 (510) 663-4100 FEIN: 94-2934407 Vendor No: 082
Approved as to form Dennis J. Herrera City Attorney By _____ Deputy City Attorney	

[Authorizing the Execution of Amendment to Contract with AMEC Geomatrix, Inc.] Authorizing the Execution of an Amendment to the Contract With AMEC Geomatrix, Inc. to Extend the Term through June 30, 2012.

WHEREAS, Former Naval Station Treasure Island is a military base located on Treasure Island and Yerba Buena Island (together, the "Base"), which is currently owned by the United States of America ("the Federal Government"); and,

WHEREAS, Treasure Island was selected for closure and disposition by the Base Realignment and Closure Commission in 1993, acting under Public Law 101-510, and its subsequent amendments; and,

WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97, authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit corporation known as the Treasure Island Development Authority (the "Authority") to act as a single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and conversion of the Base for the public interest, convenience, welfare and common benefit of the inhabitants of the City and County of San Francisco; and,

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the "Act"), the California Legislature (1) authorized the City's Board of Supervisors to designate the Authority as a redevelopment agency under California redevelopment law with authority over the Base, and (ii) with respect to those portions of the Base which are subject to Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, On October 17, 2005, the Board of Directors adopted Resolution No. 05-039-10/12 designating the Office of Economic and Workforce Development as the lead

negotiator in all negotiations related to the overall redevelopment and conversion of the Base to civilian uses, including without limitation, negotiations regarding the terms and conditions for the long term redevelopment of the Treasure Island Marina and the redevelopment of the Base; and,

WHEREAS, AMEC Geomatrix, Inc. ("Contractor") was selected by the City's Department of Public Works as an "as-needed" contractor to provide environmental review and remediation activities based on a public Request for Proposals process; and,

WHEREAS, Contractor performed services under a contract with DPW for several agencies and locations, including Treasure Island; and,

WHEREAS, The Authority amended the contract from time to time to extend the term and to directly contract with Contractor; and,

WHEREAS, On February 12, 2003, because of Contractor's knowledge of the Navy's environmental remediation program at the Base, the Authority authorized the Executive Director to execute a new contract with Contractor for an amount not to exceed $541,000 to assist the Authority in drafting a Request for Qualifications for a guaranteed fixed price contractor and in evaluating bids and negotiating a contract with a guaranteed fixed price contractor to participate in the negotiations with the Navy for an Environmental Services Cooperative Agreement in connection with an Early Transfer of the Base and to monitor the Navy's on-going environmental remediation program; and,

WHEREAS, On June 9, 2004, the Authority extended the term of the Contractor contract for an additional two (2) months; and,

WHEREAS, On December 8, 2004, the Authority retroactively extended the term of the contract through June 30, 2005 and increased the not-to-exceed amount of the Contractor contract to $719,000; and,

WHEREAS, On July 13, 2005, the Authority retroactively extended the term of the Contractor contract through June 30, 2006 and increased the not-to-exceed amount of the contract to $899,000; and,

WHEREAS, On May 31, 2006, the Authority extended the term of the Contractor contract through June 30, 2007 and increased the not-to-exceed amount of the contract to $1,097,000; and,

WHEREAS, On May 9, 2007, the Authority extended the term of the Contractor contract through June 30, 2008 and increased the not-to-exceed amount of the contract to $1,277,000; and,

WHERAS, On May 14, 2008, the Authority extended the term of the Contractor contract through June 30, 2009 and increased the not-to-exceed amount of the contract to $1,439,000; and,

WHEREAS, On May 13, 2009, the Authority, with Board of Supervisors approval, extended the term of the contract through June 30, 2010 and increased the not-to-exceed amount of the contract to $1,619,000; and,

WHEREAS, On July 1, 2010, the Authority, with Board of Supervisors approval, extended the term of the contract through June 30, 2011 and increased the not-to-exceed amount of the contract to $1,799,000; and,

WHEREAS, The Authority believes that the on-going role of Contractor is important and merits amendment of the existing contract in order to (a) maintain the continuity of oversight of the Navy's environmental remediation program; (b) avoid the potential challenges associated with the learning curve inherent in selecting and bringing a new engineering contractor up to speed; and (c) continue to assist the Authority in property transfer and master developer negotiations to protect the Authority's interests and to support the redevelopment plans; and,

WHEREAS, The Authority desires to amend the contract with Contractor to extend the term of the contract, consistent with the Authority's need for on-going monitoring of the Navy's environmental cleanup program; now therefore be it

RESOLVED, That the Authority hereby authorizes the Treasure Island Development Project Director to execute the amendment to the contract, in substantially the form attached here, with AMEC Geomatrix, Inc. to extend the term thereof through June 30, 2012; and

FURTHER RESOLVED, That the Board of Directors hereby authorizes the Treasure Island Development Project Director to enter into any additions, amendments or other modifications to the Ninth Amendment that the Treasure Island Development Project Director determines in consultation with the City Attorney are in the best interests of the Authority, that do not materially increase the obligations or liabilities of the Authority, that do not materially reduce the rights of the Authority, and are necessary or advisable to complete the preparation and approval of the Ninth Amendment, such determination to be conclusively evidenced by the execution and delivery by the Treasure Island Development Project Director of the documents and any amendments thereto.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected and acting Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 7
Treasure Island Development Authority Board of Directors
City and County of San Francisco
Meeting of June 22, 2011

Item 7: Resolution approving the Disposition and Development Agreement and Interagency Cooperation Agreement reflecting changes made by the San Francisco Public Utilities Commission, the Municipal Transportation Agency Board of Directors and the Board of Supervisors

Contact: Rich Hillis, Director of Redevelopment, Office of Economic and Workforce Development
Michael Tymoff, Deputy Director of Redevelopment, Office of Economic and Workforce Development
Jon Yolles, Project Manager, Office of Economic and Workforce Development

I. Introduction

The Treasure Island Development Authority Board of Directors ("TIDA Board"), in a joint meeting with the Planning Commission, approved nine resolutions and associated documents related to the Treasure Island/Yerba Buena Island Project on April 21, 2011. The TIDA Board approved another related resolution and associated document at its meeting on April 27, 2011. After those meetings, the Treasure Island/Yerba Buena Island Project came before the San Francisco Municipal Transportation Agency Board of Directors ("SFMTA Board"), the San Francisco Public Utilities Commission ("SFPUC"), and the Board of Supervisors ("BOS") and its Land Use and Economic Development as well as Budget and Finance Committees. During the course of these approvals, various amendments, modifications and corrections were requested by these bodies and their staffs. These amendments, changes and corrections are now before the TIDA Board today for final authorization. Below is a description of all material changes to the (I) *Interagency Cooperation Agreement*, (II) *Development Agreement Between the City and County of San Francisco and Treasure Island Community Development, LLC*, (III)*Treasure Island and Yerba Buena Island Design for Development*, and (IV) *Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC* and certain exhibits, including the (i) *Housing Plan*, (ii) *Financing Plan*, and (iii) *Jobs and Equal Opportunity Program.* Copies of the amended pages to the above described documents are attached to this Resolution as Exhibit A.

II. Modified Documents

- **Interagency Cooperation Agreement**

The *Interagency Cooperation Agreement* ("ICA") has been amended as follows:

- Section 3.4(f)(iii)(2) – Language has been added to specify that further negotiations between TIDA and the City regarding the financing and maintenance of new wastewater and recycled water treatment facilities as well as emergency water supply infrastructure shall occur.
- Section 3.7 – Language has been added to clarify the process by which Public Power may be provided to the Project.
- SFPUC Consent Page – Language has been added to correct and clarify the acceptance, operation and maintenance of SFPUC-Related Infrastructure, as well as the discretion to negotiate the elements of a wastewater/recycled water project.

- **Development Agreement**

The *Development Agreement Between the City and County of San Francisco and Treasure Island Community Development LLC* has been amended as follows:

- Section 2.4.1 – Language has been added to require that the Transit Impact Development Fee apply to all net new office development on the Project.

- **Design for Development**

The *Treasure Island and Yerba Buena Island Design for Development* has been amended as follows:

- Section 4.1.4 – Language has been added to specify that the Planning Department may forward projects to the Historic Preservation Commission for their review and comment.

- **Disposition and Development Agreement**

The *Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC* ("DDA") has been amended as follows:

- Section 13.3.2(g) – Language has been added to create a $5 Million "Additional Transportation Subsidy," should utilization of transit need to be improved.
- Section 26.2.2 – Language has been added to allow that, should a CEQA Delay occur, the Base Guaranty required shall total $5 Million until the earlier of the Initial Closing of the Navy Conveyance or sixty days after the end of the CEQA Delay, at which time the Base Security is increased to $10 Million.

- **Housing Plan**

Exhibit E to the DDA, the Housing Plan, has been amended as follows:

- Section 9.2. – Language has been modified to allow sixty months for changes to Infrastructure Financing District ("IFD") Act to be sought to allow the affordable housing percentage to increase to 30%.
- Section 9.2 – Language has been added to specify that should changes to the IFD Act not occur within the sixty month period, the number of Authority Housing Units shall be increased to a maximum 1,866 units and the number of Market Rate Units shall be reduced accordingly.

- **Financing Plan**

Exhibit EE to the DDA, the Financing Plan, has been amended as follows:

- Section 2.8(e) – Language has been clarified to specify that the City and the Developer agree to use First and Second Tranche CFD proceeds to finance future sea level rise improvements.
- Section 3.7(c) – Language has been added to allow for additional funding that results from any change to the IFD Act to be allocated to finance Authority Housing Costs and allow for an increase in Authority Housing Units.
- Definition "Conditional City Increment" – The amount has been increased from $0.77 to $0.80
- Definition "Housing Percentage" – Language has been clarified to be consistent with the changes to Section 3.7(c) described above.

- Definition "Net Available Increment" – Language has been clarified to be consistent with the changes to Section 3.7(c) described above.

- **Jobs and Equal Opportunity Program**

Exhibit P to the DDA, the Jobs and Equal Opportunity Program, has been amended as follows:

- Section 6.1.1(f) – Language has been added to require City contracting provisions, standard wages and job training in Authority service contracts, as well as conforming changes throughout the document.

Exhibits: A – Amended Pages of the: (I) *Interagency Cooperation Agreement*, (II) *Development Agreement Between the City and County of San Francisco and Treasure Island Community Development, LLC*, (III)*Treasure Island and Yerba Buena Island Design for Development*, and (IV) *Disposition and Development Agreement between the Treasure Island Development Authority and Treasure Island Community Development, LLC* and certain exhibits, including the (i) *Housing Plan*, (ii) *Financing Plan*, and (iii) *Jobs and Equal Opportunity Program.*

2.4. Development Fees and Exactions.

2.4.1. Existing Development Fees or Exactions. Except as provided in the following provisions of this Section 2.4, for the Term of this Agreement, the following Development Fees or Exactions that are in effect as of the Effective Date, and only the following, are applicable to the Project: (a) the School Facilities Impact Fee; and (b) the Water and Wastewater Capacity Charges imposed by the San Francisco Public Utilities Commission under the authority of the San Francisco Charter applicable to all new residential and commercial use on a City-Wide basis; and (c) the Transit Impact Development Fee on net new office development consistent with that currently applicable in San Francisco or this same fee amount if the Transit Impact Development Fee is replaced with a different fee that serves the same or similar purpose. The DDA requires Vertical Developers to pay to the Authority a public art fee and a Jobs-Housing Linkage fee, to comply with certain inclusionary housing requirements and if applicable, to pay a transient occupancy in-lieu fee on fractional interest development, all on the further terms and conditions set forth in the DDA and Vertical DDA.

2.4.2. New or Increased Development Fees or Exactions. Except as otherwise set forth herein, no increase in any Development Fees or Exactions and no new Development Fee or Exaction enacted by the City during the term of this Agreement shall be applicable to any Improvements within the Project Site. To the extent that any increase in any Development Fees or Exactions or new Development Fees or Exactions is permitted under this Section 2.4.2, any such increased or new Development Fee or Exaction shall apply only to the extent that such increased or new Development Fee or Exaction complies with all applicable law, including, without limitation the requirements of the Mitigation Fee Act (Government Code §§ 66000 *et seq.*).

2.4.2.1. Any increase in the School Facilities Impact Fee authorized by any change in state law at any time after the approval of this Plan shall apply to the Project.

2.4.2.2. Any increase in the Water or Wastewater Capacity Charges duly authorized by the San Francisco Public Utilities Commission under the San Francisco Charter at any time after the approval of this Plan shall apply to the Project

2.4.2.3. Any new or increased Development Fees or Exactions which become effective more than twenty (20) years following the date of issuance of the first Building Permit for Vertical Improvements in the Project Site shall apply to the Project only so long as such new or increased Development Fee or Exaction is (i) generally applicable on a City-Wide basis for similar land uses and (ii) not redundant as to the Project of a fee, dedication, program, requirement or facility that is imposed under the applicable Development Requirements, including without limitation, any fee, dedication, program, requirement or facility related to (A) affordable housing, (B) open space,(C) transportation; (D) child care; or (E) protecting against sea-level rise.

2.4.2.4. This Agreement has been entered into in reliance upon the provisions of the Development Agreement Statute as those provisions existed at the Effective Date. No amendment or addition to those provisions, which would materially affect the interpretation or enforceability of this Agreement, shall be applicable to this Agreement unless

(f) Transportation Capital Contributions Subsidy: Developer shall pay Authority a "Transportation Capital Contributions Subsidy" in accordance with this Section. Starting on the Reference Date, Authority shall be credited with a non-cash Transportation Capital Contribution Account balance of One Million Eight Hundred Thousand Dollars ($1,800,000), adjusted annually at the end of each Fiscal Year by the increase in the Index over the prior twelve month period (except that the first interest credit shall be based on the period from the Reference Date to the end of the Fiscal Year in which the Reference Date occurs). Upon request by the SFMTA when required to pay for the purchase of a Muni bus necessary to serve the Project, Developer shall pay SFMTA the lesser of (i) 20% of the cost of the SFMTA bus, or (ii) Three Hundred Thousand Dollars ($300,000) adjusted by the percentage increase, if any, between the Index published in the month prior to the Reference Date and the Index published for the month prior to the applicable payment (or if no Index is published for the applicable month, the Index for the closest preceding month for which the Index is published). Each SFMTA bus payment shall reduce the Transportation Capital Contribution Account balance. If at the time SFMTA purchases its sixth bus, there remains an unused balance in the Transportation Capital Contribution Account, Developer upon Authority's written request, shall pay all unused amounts to SFMTA.

(g) Notwithstanding anything in this Agreement to the contrary, after the first certificate of occupancy (whether temporary or final) has been issued for the 4,000th dwelling unit on the Project Site, the Authority and the San Francisco County Transportation Authority ("SFCTA") shall have the right in accordance with the process described in this Section 13.3.2(g) to require further commitments from Developer to reduce automobile car trips during the peak hour and improve transit usage.

(i) Within one year of the issuance of the certificate of occupancy for the 4000th dwelling unit on the Project Site, the Authority shall (x) prepare, at Developer's cost, a report that analyzes the travel behavior of island residents, (y) hold a duly noticed public meeting of the Authority's Board of Directors on the report, and (z) make a recommendation to the SFCTA regarding the need to implement additional transportation demand management programs to reduce automobile car trips during the peak hour and improve transit usage.

(ii) In the event that the report shows the residential transit mode share, measured as a percentage of residential transit trips out of the total residential off-Island person-trips, during the weekday morning and evening peak hour is 50% or less, then, within ninety (90) days of the report and the Authority's recommendation to the Clerk of the SFCTA, the SFCTA may require that the Developer pay to TITMA an additional transportation subsidy (the "Additional Transportation Subsidy") in the total amount of $5 million, in five (5) consecutive annual installments of $1 million each. The annual installments of the Additional Transportation Subsidy shall commence on June 30 of the year that the SFCTA requires the Additional Transportation Subsidy, provided that for the first year only, the annual Additional Transportation Subsidy Payment shall be paid within thirty (30) days of the SFCTA's demand. The Additional Transportation Subsidy shall accrue interest in the same manner as provided in this Section 13.3.2 with respect to the Annual Transportation Subsidy.

26.1 Certain Definitions. As used herein:

"**Adequate Security**" means any security provided by Developer in accordance with this DDA that (i) secures the faithful performance or payment of the obligation secured thereby, (ii) is issued by a Person Approved by the Authority Director (and that meets the Guarantor Net Worth Requirement, if applicable), (iii) provides that the maximum liability of the obligor thereunder shall be equal to the Secured Amount plus the costs of enforcing such Adequate Security and (iv) is in a form determined by Developer and Approved by the Authority Director, including, but not limited to a Corporate Guaranty, bonds, letters of credit, certificates of deposit or any other form that provides reasonable assurances regarding the obligations secured thereby. Any Adequate Security required by the TI/YBI Subdivision Code in connection with a final subdivision map shall conform to the requirements of the TI/YBI Subdivision Code;

"**Corporate Guaranty**" means a guaranty in the form to be appended hereto as Exhibit Y with only such changes as may be Approved by Developer and the Authority Director in their respective sole and absolute discretion executed by a Person (i) with a Net Worth greater than the Secured Amount, and in no event less than Fifty Million Dollars ($50,000,000) (such $50,000,000 amount to be increased, automatically, by ten percent (10%) on each five (5) year anniversary of the Effective Date) (the "**Guarantor Net Worth Requirement**") and (ii) that is otherwise Approved by the Authority Director (each, a "**Guarantor**"). As a condition of Approval for the Initial Major Phase Application, the Parties shall have agreed upon the form of the Corporate Guaranty; and

"**Secured Amount**" means, unless otherwise specifically provided in this Agreement, (i) if securing an obligation to pay money, one hundred percent (100%) of the amount of such secured payment and (ii) if securing an obligation to construct, one hundred percent (100%) of the estimated cost of Completion of such construction as such cost is Approved by the Authority Director and Developer with reference to the applicable construction contracts entered into by Developer.

26.2 Base Security.

26.2.1 Base Security. Developer shall provide one or more Corporate Guaranties or other Adequate Security for the payment of Financial Obligations and payment and performance of Indemnifications under this DDA (the "**Base Security**"). The Base Security shall include a cap on liability covered by all Base Security in the amount of Ten Million Dollars ($10,000,000), provided such amount shall be increased automatically by ten percent (10%) on each five (5) year anniversary of the Reference Date (the "**Base Security Cap**"). Notwithstanding any Transfer under this DDA (and the provision of Base Security from more than one Party), there shall be no decrease in the Base Security Cap with respect to the Base Security provided by a Party.

26.2.2 Delivery by Developer. Within sixty (60) days after the Reference Date, if no CEQA Delay has occurred (i) Developer shall replace the Original Project Guaranty with two separate Guaranty Agreements, one each from Lennar Corporation and Stockbridge Real Estate Fund II A, LP, substantially in the form attached hereto as Exhibit Y (or other form of Adequate Security), adding up to a total of

the Base Security Cap, with only such changes as may be mutually Approved by the Authority Director and Developer, and such Adequate Security shall become Developer's Base Security; and (ii) promptly following the full execution and delivery of this Base Security, the Authority shall release and return the Original Project Guaranty to Lennar. If requested by Developer or the applicable obligor, Authority shall provide a written confirmation of such release and return. Notwithstanding the foregoing, Developer retains the right to replace the Original Project Guaranty with other Adequate Security up to a total of the Base Security Cap from such entities meeting the Guarantor Net Worth Requirement. The Guaranty Agreements shall not be cross-defaulted and liability thereunder shall be several and not joint, but such Guaranty Agreements shall be subject to the replenishment requirement under Section 26.2.4. Notwithstanding the foregoing, if a CEQA Delay has occurred within sixty (60) days after the Reference Date, then the Guaranty Agreements provided shall add up to a collective total of Five Million Dollars ($5,000,000), and shall be replaced by Guaranty Agreements meeting the requirements of this Section 26.2.2 adding up to a collective total of the Base Security Cap upon the earlier of (i) sixty days after the expiration of the CEQA Delay; or (ii) the Initial Closing of the FOST Parcel under the Conveyance Agreement. Concurrently with the execution and delivery of such replacement Guaranty Agreements, the Authority shall release and return the prior Guaranty Agreement(s) to the applicable Guarantor.

26.2.3 Delivery by Transferees. No later than the effective date of a Transfer by Developer under Article 21, either (i) Developer and the issuer of Developer's Base Security shall confirm in a manner acceptable to the Authority Director that Developer's Base Security secures all obligations of the Transferee under this DDA, or (ii) the Transferee shall provide to the Authority new Base Security that secures all obligations of the Transferee under this DDA and is Approved by the Authority Director. The effectiveness of the Authority Board's Approval of any Transfer under Article 21 shall be conditioned upon the Authority's receipt of such Base Security.

26.2.4 Replenishment. No payment or performance made by the obligor under any Base Security shall reduce or eliminate the requirement that Developer provide and maintain Base Security at all times during this Agreement until the applicable Base Security Termination Date. Accordingly, upon any payment or performance by an obligor under Base Security, Developer shall provide, within thirty (30) days following such payment or performance, either replacement Base Security or an amendment to the applicable existing Base Security (in each case meeting all of the requirements for the Base Security as set forth in this Agreement) to confirm that the Base Security Liability Cap under all Base Security remains, collectively, Ten Million Dollars ($10,000,000), as increased by ten percent (10%) on each five (5) year anniversary of the Reference Date (plus the cost of enforcing the Base Security).

26.2.5 Release. The Authority shall promptly release and return any unused portion of any Base Security five (5) years following the expiration or termination of this DDA with respect to the Party whose obligations are secured thereby and if requested by Developer or the applicable obligor, provide a written confirmation of such release and return.

9.1 IFD Revisions. As described in the Summary of this Housing Plan, the Minimum Affordable Percentage for the Project was reduced from the Thirty Percent Minimum to the Twenty-Five Percent Minimum as a result of the Parties' reliance on available property tax increment from Infrastructure Financing Districts instead of Community Redevelopment Law for the public financing component of the Project. The Parties understand and agree that if the following revisions are made to the IFD Act, then the public funding available for the Project, including the funds available for Affordable Housing, will equate to the public funding that would have been available under the Community Redevelopment Law as of the Effective Date as estimated by the Parties (the "CRL Funding Amount"): (i) the incremental tax revenue available for Project Costs excluding the Housing Percentage is equal to sixty percent (60%) or more of the total incremental tax revenue from the property in the IFD; (ii) the life of an IFD is extended to forty-five (45) years or longer, and the ability to incur debt to fund Project Costs is at least twenty years; (iii) subordination of taxing agencies' share of incremental tax revenues to debt issued by the IFD is authorized in a manner similar to the current provisions of Health and Safety Code Section 33607.5; and (iv) the public improvements eligible to be funded with the incremental tax revenues from the IFD are consistent with those allowed to be funded with tax increment revenue under the California Community Redevelopment Law (collectively, the "Maximum Public Financing Revisions").

9.2 Potential Future Changes to Housing Plan. If, on or before the later of (i) the date that is sixty (60) months after the Effective Date, and (ii) the Initial Closing under the Conveyance Agreement (the "Outside IFD Revision Date"), the Maximum Public Financing Revisions are made to the IFD Law or other public financing options become available so that the public funding available for the Project is the same as the CRL Funding Amount, then the Twenty-Five Percent Minimum shall become the Thirty Percent Minimum and:

(a) the Authority Housing Units shall be increased to a maximum of 2,105 units and the Developer Residential Units shall be decreased to a maximum of 5,895 unit and the Authority Housing Lots shall include the Additional Authority Housing Lots Under the Thirty Percent Minimum as shown on the Housing Map attached as Attachment B;

(b) this Housing Plan shall be amended to provide that Completed Authority Housing Lots shall comprise 27% of the total Residential Acreage of the Residential Developable Lots, the total Residential Acreage of the Authority Housing Lots on Treasure Island shall not be less than twenty percent (20%) in each Major Phase, and that the Cumulative Total Authority Housing Acreage on Treasure Island shall be twenty five percent (25%) at the time of Approval of the Major Phase that includes the 2,950 Developer Residential Unit;

(c) the Inclusionary Milestones set forth in Section 5.1(c) of this Housing Plan shall be amended to be the dates of conveyance to Vertical Developers of Market Rate Lots allowing for development of (i) 2,065 Developer Residential Units; (ii) 2,950 Developer Residential Units and (iii) 4,420 Developer Residential Units; and

(d) Developer shall submit a new or revised Housing Data Table (if applicable) that reflects the revised Authority and Market Rate Housing Units numbers.

If the Maximum Public Financing Revisions are not made on or before the Outside IFD Revision Date, then: (A) the Authority Housing Units shall be increased to a maximum of 1,866 units and the Developer Residential Units shall be decreased to a maximum of 6,134 units, although there will be no change to the number, acreage or location of Authority Housing Lots shown on Exhibit B; (B) the Inclusionary Milestones set forth in Section 5.1(c) of this Housing Plan shall be amended to be the dates of conveyance to Vertical Developers of Market Rate Lots allowing for development of (i) 2,150 Developer Residential Units; (ii) 3,065 Developer Residential Units and (iii) 4,600 Developer Residential Units; and (C) Developer shall submit a new or revised Housing Data Table that reflects the revised Authority and Market Rate Housing Units numbers.

9.3 Increases from the Twenty-Five Percent Minimum to the Thirty Percent Minimum. If some but not all of the Maximum Public Financing Revisions are made to the IFD Act or other public funding for affordable housing is made available during the Term ("Partial Public Financing Revisions"), then the Authority shall have the right to acquire one or more of the Authority Housing Lots shown as Additional Authority Housing Lots Under the Thirty Percent Minimum on the Housing Map attached as Attachment B, together with an appropriate increase in the Minimum Affordable Percentage, at the Fair Market Value Price. The Fair Market Value Price shall be fair market value of the land and the corresponding housing entitlement, using the same methodology as used in the Proforma and taking into account all costs and savings to Developer resulting from the loss of the land and the increase in the Minimum Affordable Percentage, including all changes in estimated IFD and CFD revenues to Developer and the decrease in the Developer Housing Subsidy payable by Developer, but excluding estimated profits from the vertical development on the land. Upon the Authority's request following a Partial Public Financing Revision, the Parties agree to meet and confer in good faith for a period of not less than ninety (90) days to determine the Fair Market Value Price and the corresponding Minimum Affordable Percentage and the corresponding adjustments to this Housing Plan. If the Parties are not able to agree on the Fair Market Value Price, the Minimum Affordable Percentage, or the corresponding adjustments to this Housing Plan within ninety (90) days, then either Party shall have the right to initiate the appraisal process set forth in Section 17.4 of the DDA.

9.4 Initial Applications. The Parties agree that before such time as the Maximum Public Financing Revisions or the Partial Public Financing Revisions occur, Developer may submit Major Phase Applications and Sub-Phase Applications based upon the terms of this Housing Plan without assuming that there will be any change to the IFD Law or the public financing available for Affordable Housing at the Project Site. However, the Parties agree to make the revisions set forth in Section 9.2 above as soon as the Maximum Public Financing Revisions occur and the revisions in Section 9.3 above as soon as the Partial Public Financing Revisions occur.

10. NON-APPLICABILITY OF COSTA HAWKINS ACT

The Parties understand and agree that the Costa-Hawkins Rental Housing Act (California Civil Code sections 1954.50 et seq.; the "Costa-Hawkins Act") does not and in no way shall limit or otherwise affect the restriction of rental charges for the Affordable Housing Units or the Inclusionary Units developed pursuant to the DDA and the Development Agreement (including this Housing Plan). This DDA falls within an express exception to the Costa-

as defined in the Infrastructure Plan, the City and Developer agree to finance the Future Sea Level Rise Improvements from First Tranche CFD Bonds of such CFD.

(f) Pursuant to the definition contained in Section 7.2, the term "CFD" means an Improvement Area if one has been so designated. Accordingly, wherever the word "CFD" appears in this Section 2.8, it also means Improvement Area (with the result being that the CFD Conversion Date shall be calculated separately for each Improvement Area).

3. INFRASTRUCTURE FINANCING DISTRICT FINANCING

3.1 Formation of IFDs

(a) Formation. At any time, and from time to time, after Authority acquires all or part of the Project Site from the Navy, Developer may request in writing that City establish one or more IFDs under the IFD Act over all or any part of the property so acquired. In its written request, Developer may include proposed specifications for the IFD, including IFD boundaries. Developer's proposed specifications will be based on Developer's development plans, market analysis, and required preferences, but in all cases will be subject to this Financing Plan, the Funding Goals, and compliance with the IFD Act. To ensure compliance with the replacement housing provisions of the IFD Act in the formation of an IFD, City shall consider any input provided by Authority as to the specifics of the IFD formation.

(b) Boundaries. As soon as reasonably practical after receipt of a written request from Developer, City will establish each IFD over all of the Property identified in the written request. If allowed by the IFD Act, the IFD shall include separate Project Areas, as requested by Developer in writing.

(c) Authorized Facilities. Each IFD shall be authorized to finance all of the Qualified Project Costs, irrespective of the geographic location of the improvements financed.

(d) Cooperation. Developer and City shall cooperate reasonably in developing the IFP for each IFD that is consistent with this Financing Plan. Developer and City will each use good-faith reasonable efforts at all times to furnish timely to the other, or to obtain and then furnish to the other, any information necessary to develop the IFP for each IFD.

3.2 Scope of IFD-Financed Costs

(a) Authorization. An IFD may finance only Qualified Project Costs that are financeable under the IFD Act.

(b) Communitywide Significance. On the Reference Date, City found and determined that the Qualified Project Costs to be financed by the IFDs are of communitywide significance that provide significant benefits to an area larger than the area of the Project Site (which will be the cumulative boundaries of all IFDs). The

any other Public Financing issued by Authority or the City. Developer's obligations under this Section 3.7(a) are not for the benefit of any CFD Bonds. Should the Tax Laws change, or the Internal Revenue Service or a court of competent jurisdiction issue a ruling that might cause any tax-exempt IFD Debt to be deemed taxable due to the requirements under clause (i) or (ii), City will release Developer from its obligations under this Section 3.7(a), and this Section 3.7(a) will be deemed severed from this Financing Plan under section 27.19 of the DDA.

(iv) Developer and City understand and agree that City would not be willing to enter into this Financing Plan without the agreement set forth in this Section 3.7(a).

(b) Reserve Fund Earnings. The Indenture for each issue of IFD Debt will provide that earnings on any reserve fund that are not then needed to replenish the reserve fund to the reserve requirement will be transferred to: (i) the IFD Debt Project Account for allowed uses until it is closed in accordance with the Indenture; then (ii) the debt service fund held by the Fiscal Agent under the Indenture.

(c) Material Changes to the IFD Act. The IFD Act is currently the subject of pending legislation, and it is likely that the IFD Act will be the subject of legislation in the next several years, including legislation promulgated by City and Developer. In the event of any change to the IFD Act that occurs after the Reference Date, City, Authority, and Developer shall meet and confer and negotiate in good faith any appropriate changes to this Financing Plan, the DDA, the City DA, and any existing IFD. In the event of any change to the IFD Act that occurs after the Reference Date that results in Increment other than Net Available Increment becoming available for allocation to an IFD, City may allocate such additional Increment to an IFD and may provide in the IFP for such IFD that such additional Increment may be used by the IFD as follows: (i) first, to finance Housing Costs and increase the then-effective Minimum Affordable Percentage in the manner set forth in Articles 3 and 9 of the Housing Plan and to finance additional Qualified Project Costs that are required to receive additional increment as a result of the change in the IFD Act; and (ii) second, to pay Qualified Project Costs.

3.8 IFDs and Net Available Increment Upon Termination

(a) Notice of Termination. In the event that Authority terminates all or any portion of the DDA before the issuance of the last Certificate of Completion for the Project for any reason, Authority shall send City a Termination Notice providing the details of the termination and whether or not the termination was due to a Selected Default.

(b) Formation of IFDs After Termination. Any IFD formed over any part of the Project Site for each Other Developer following receipt of a Termination Notice for a non-Selected Default shall authorize the financing of the Island Wide Costs of Developer in the IFP so that such Island Wide Costs of Developer may be financed as set forth in this Section 3.8. City shall have no such obligation with respect to any IFD

"**CFD Conversion Date**" means, calculated separately for each CFD, the earliest to occur of (i) the date that all Qualified Project Costs have been paid or reimbursed to Developer for the Project as a whole, or (ii) the date that is forty-two (42) years after the issuance of the first series of First Tranche CFD Bonds in such CFD.

"**CFD Goals**" means, subject to Section 2.6(g), City's Local Goals and Policies for Community Facilities Districts, approved by Resolution No. _____, adopted on _____, and as thereafter amended from time to time.

"**Change In Law**" means legislation enacted by the Congress of the United States, by the legislature of the State or the enactment of a regulation or statute by any Governmental Entity (other than City or Authority or any related entities) with jurisdiction over City or Authority.

"**Change Proceedings**" means proceedings under section 53332 of the CFD Act initiated by Developer's petition.

"**City**" means the City and County of San Francisco.

"**City DA**" means the Development Agreement by and between City and Developer relative to Naval Station Treasure Island.

"**City's General Fund**" means the City's general operating fund, into which taxes are deposited, excluding dedicated revenue sources for certain municipal services, capital projects, and debt service.

"**Commence**" is defined in the DDA.

"**Complete**" (or its variant "Completion") is defined in the DDA.

"**Conditional City Increment**" means, for each IFD, the amount allocated by the City on a conditional basis to such IFD for the purposes described in Section 3.3(e), which shall be equal to $0.08 of every dollar of Increment (which amount will come from Increment that would have otherwise been allocated to City).

"**Conditional Maintenance Tax**" shall mean a special tax that may be levied under an RMA only upon the occurrence of a Maintenance Default and only in the manner and in the amount set forth in Section 2.7(f).

"**Conveyance Agreement**" is defined in the DDA.

"**CPA**" means an independent certified public accounting firm Approved by Authority and Developer.

"**DDA**" means that certain Disposition and Development Agreement (Treasure Island/Yerba Buena Island) to which this Financing Plan is attached.

"**Housing Costs**" means the costs incurred by Authority to increase, improve, and preserve the City's supply of housing for persons and families of very low-, low-, or moderate-income pursuant to the Housing Plan.

"**Housing Fund**" means a fund created by Authority for holding the Housing Amounts and applying such Housing Amounts on Housing Costs.

"**Housing Percentage**" means, for each IFD, 17.5%, calculated by dividing $0.10 of Net Available Increment to be dedicated to Housing Costs by total Net Available Increment, rounded to one decimal place (i.e., $0.10 ÷ $0.567 = 17.5%).

"**Housing Plan**" is defined in the DDA.

"**IFD**" means (i) an infrastructure financing district formed over all or any part of the Project Site that is established under the IFD Act to finance Qualified Project Costs, or (ii) if authorized under the IFD Act, a Project Area within an infrastructure financing district formed over all or any part of the Project Site, which Project Area has been designated under the IFD Act to finance Qualified Project Costs.

"**IFD Act**" means the Infrastructure Financing District Act (Gov't Code § 53395 et seq.), as amended from time to time.

"**IFD Debt**" means any bonded indebtedness that the IFD or other Governmental Entity incurs to finance Qualified Project Costs that is secured by a pledge of Net Available Increment, but not including CFD Bonds.

"**IFD Debt Project Account**" means the funds or accounts, however denominated, held by the Fiscal Agent under an Indenture containing the Net IFD Proceeds to be used to finance Qualified Project Costs.

"**IFD Proceeds**" means, in any Fiscal Year, the cumulative amount of (i) the proceeds of IFD Debt and (ii) the Net Available Increment generated in such Fiscal Year that is not used to (A) pay debt service on any IFD Debt and (B) repay the City for any Conditional City Increment used to pay IFD Debt in the manner set forth in Section 3.5(d) and to the extent set forth in Section 3.3(e).

"**IFP**" means an infrastructure financing plan required for each IFD under the IFD Act.

"**Improvement Area**" means an improvement area within a community facilities district designated pursuant to section 53350 of the CFD Act.

"**Improvements**" is defined in the DDA.

"**Inclusionary Unit**" is defined in the Housing Plan.

"**Maximum Project Special Tax Rate**" is defined in Section 2.3(g).

"**Navy**" is defined in the DDA.

"**Navy Payment Escrow**" means an escrow created by Authority to hold Interim Lease Revenues to be used solely to pay Installment Payments (principal plus interest at the Interest Rate).

"**Navy Promissory Note**" is described in Section 4.2.6 of the Conveyance Agreement.

"**Net Available Increment**" means, for each IFD, $0.57 of every dollar of Increment (which amount will come from Increment that would have otherwise been allocated to City. Net Available Increment does not include Conditional City Increment.

"**Net Cash Flow**" means Gross Revenues received by the Developer from the Project less Development Costs paid by the Developer.

"**Net CFD Proceeds**" means the proceeds of CFD Bonds that are available or used to pay for Qualified Project Costs directly or by reimbursements to Developer and, when authorized pursuant to Section 2.8, to pay for the costs of Additional Community Facilities

"**Net IFD Proceeds**" means the proceeds of IFD Debt that are available or used to pay for Qualified Project Costs directly or by reimbursements to Developer.

"**Net Interim Lease Revenues**" is defined in Section 6.1(a)(iv).

"**Net Sale Proceeds**" means the proceeds from the sale of Unconveyed Property by Authority, less the costs of the Authority associated with the marketing and sale of such Unconveyed Property.

"**Non-Developer Property**" means, collectively, the property in the Project Site (i) that was never acquired by the Developer from Authority or (ii) that was reacquired by Authority through reverter.

"**Official Records**" is defined in the DDA.

"**Ongoing Maintenance Account**" means a separate account created by Authority and maintained by Authority to hold all Remainder Taxes transferred from the Remainder Taxes Holding Account pursuant to Section 2.7 to be used for financing Ongoing Park Maintenance during the applicable Maintenance Period.

"**Ongoing Park Maintenance**" means the costs of operating and maintaining Improvements constructed pursuant to the Parks and Open Space Plan within the Project Site, including installing landscaping, all personnel or third-party maintenance costs, costs of maintaining irrigation systems and other equipment directly related to

(2) Section I of the ICA, sections 6.2 and 7.10 of the DDA, and the Infrastructure Plan contemplate further negotiations between TIDA and the City, acting through the SFPUC, regarding the financing, construction, operation and maintenance of new wastewater and recycled water treatment facilities; the continuation of SFPUC activities as a contract provider of utility services during the interim period between the conveyance of the Project Site to the Authority and the installation of new utility infrastructure; and the construction of, or reimbursement of Caltrans for, the infrastructure relating to the emergency water supply for the Project. SFPUC approval of and consent to the DA and ICA shall not affect the outcome of the future negotiations described above. The SFPUC retains full discretion to negotiate the elements of the wastewater/recycled water project, interim operations agreements, and emergency water supply facilities agreements.

(iv) SFFD. Before the Authority approves any Authority Application that includes or should include future Infrastructure that will be under SFFD jurisdiction upon City acceptance (the "**SFFD Infrastructure**"), the Authority shall submit each such Complete Authority Application to the SFFD for review and comment to ensure that SFFD requirements are satisfied, including any requirements for start-up testing protocols and warranties, subject to Article 2 of the Development Agreement regarding Applicable Law. The SFFD will review each such Complete Authority Application, or applicable portions thereof, and provide comments to the Authority within thirty (30) days of SFFD's receipt of such Complete Authority Application. In addition, the Authority, Developer, and Vertical Developers, as applicable, will work collaboratively with the SFFD to ensure that SFFD Infrastructure is discussed as early in the review process as possible and that the Authority and the SFFD act in concert with respect to these matters. The Authority shall not Approve any Authority Application that includes plans and specifications for SFFD Infrastructure without the prior Approval of the SFFD.

3.5 City's Cost Recovery for the Task Force, Assessor and other City Agency Costs. The Parties agree that all of the City's costs of the Task Force, the agreed costs of the County Assessor as set forth in Section 3.4(a)(iii), and the costs of other City Agencies, will be City Costs, to be reimbursed by Developer, all subject to the limitations set forth in the DDA, the Development Agreement and this ICA. Each City Agency shall submit to the Authority quarterly invoices for all City Costs incurred by the City Agency for reimbursement under this Agreement; provided, for subdivision, mapping and Infrastructure review matters coordinated by DPW, applicable City Agencies shall submit their invoices to DPW and DPW shall combine those invoices with DPW costs to submit one combined invoice for reimbursement. The Authority shall gather all such invoices so as to submit one combined City bill to Developer each quarter. Any City Costs incurred by the City shall be invoiced to the Authority within six (6) months of the date the City Cost is incurred. To the extent that a City Agency fails to submit such invoices, then the Authority or its designee shall request and gather such billing information, and any City Cost that is not invoiced to Developer within twelve (12) months from the date the City Cost was incurred shall not be recoverable. The Authority shall submit all invoiced City Costs to Developer in accordance with the DDA, and within sixty (60) days of receipt of

subsequent environmental review to the extent required under CEQA Guidelines Section 15162.

(h) Affordable Housing Tax Credits. Using its good faith efforts to prioritize any application for 9% Tax Credits under the City's geographic apportionment, to the extent the applicants fail to secure an allocation of 9% Tax Credits from a state-wide set-aside. Priority within the geographic apportionment will be given first to TIHDI Housing Projects and then to other Authority Housing Projects.

(i) Historic Tax Credits. Using its good faith efforts to assist Developer in pursuing the 20% Historic Tax Credit and such other historic tax incentives as may be available to encourage the rehabilitation of the historic resources on the Project Site.

(j) Project Management, Scheduling, Engineering, Construction Management and Reimbursement Audit Services. Upon request of the Authority and subject to Developer's consent, DPW assisting with project management, scheduling, engineering, construction management and reimbursement audit services.

3.7 ***Public Power.*** The Authority shall, in consultation with the SFPUC, have caused the Developer to prepare an assessment of the feasibility of the SFPUC providing electric service to the Project Site consistent with San Francisco Administrative Code Chapter 99. In addition, the Authority shall, in consultation with the SFPUC, have caused the Developer to prepare an assessment of the feasibility of the SFPUC providing gas service to the Project Site. Prior to the Authority's approval of the first Major Phase Application, the Authority shall have caused the Developer to complete the feasibility studies in consultation with the SFPUC. The Developer shall pay for all costs of such studies. Upon completion of the feasibility study, the SFPUC, at its sole discretion, may determine whether it will provide electric service or gas service, or both to the Project Site. Notwithstanding the foregoing, subject to the agreement of the SFPUC to provide electricity and/or natural gas service following completion of these studies, Developer understands and agrees that all electricity and/or natural gas for the Project Site (the "applicable service") will be provided by Hetch Hetchy Water and Power or other City sources, so long as the updated feasibility analysis shows that: (i) the applicable service will be reasonably available for the Project's needs, (ii) the level of reliability and customer service responsiveness will be substantially equivalent or better than that otherwise available, (iii) upon application for the applicable service, the applicable service can be separately metered and implemented at comparable business terms and schedule (including delivery of service to construction sites), (iv) the projected price for the applicable service is comparable to or less than the prevailing market rates in San Francisco for comparable types of loads, and (v) the capital refund structure for the applicable service, (including allowances, cost of ownership, special facilities, and income tax component of construction) is at comparable business terms.

3.8 ***Procedures Required Under Applicable Laws.*** All City actions under this ICA will be taken subject to the limitations in the Development Agreement.

CONSENT TO INFRASTRUCTURE PLAN AND ICA
San Francisco Public Utilities Commission

The Public Utilities Commission of the City and County of San Francisco (the "**SFPUC**") has reviewed the ICA to which this Consent to Infrastructure Plan and ICA (this "**SFPUC Consent**") is attached and incorporated. Except as otherwise defined in this SFPUC Consent, initially capitalized terms have the meanings given in the ICA.

By executing this SFPUC Consent, the undersigned confirms that the SFPUC, after considering the Infrastructure Plan and Utility-Related Mitigation Measures at a duly noticed public hearing, consented to:

1. The ICA as it relates to matters under SFPUC jurisdiction, including the SFPUC-Related Infrastructure, the Stormwater Management Controls, and the SFPUC-Related Mitigation Measures;

2. The acceptance, operation and maintenance of SFPUC-Related Infrastructure, subject to appropriation and subject to Developer satisfying the SFPUC requirements for construction, warranties and guarantees, operations and maintenance manuals, testing, and training that are consistent with the Applicable City Regulations and applicable State and federal law, and meeting the SFPUC-Related Mitigation Measures; and

3. The delegation to the SFPUC General Manager or his or her designee any future Approvals of the SFPUC under this ICA, including Approvals of Authority Applications, subject to applicable law including the City's Charter.

By authorizing this SFPUC Consent, the SFPUC does not intend to in any way limit:

1. The exclusive authority of the SFPUC as set forth in Article VIIIB of the City's Charter, or

2. The SFPUC's full discretion to negotiate the elements of the wastewater/recycled water project, interim operations agreements, and emergency water supply facilities agreements described in section 3.4(f)(iii)(2) of the ICA.

6.1 General Requirements. It is the intent of the Authority, Developer, and TIHDI to provide to TIHDI rights to negotiate for contracts for its member organizations to provide certain services pursuant to the TIHDI Agreement. It is expressly understood and agreed that TIHDI member organizations wishing to provide service contracts will be expected to present market rate proposals, and any such proposal shall be approved or rejected by the Authority, Developer, or other owners/lessees pursuant to the TIHDI Agreement and based on good faith negotiations between the Authority, Developer, or other owners/lessees and the TIHDI member organization.

6.1.1 Right of First Offer Process. For purposes of this Jobs EOP, the right of first offer process ("***ROFO Process***") consists of the following steps:

(a) The Authority and TIHDI shall work cooperatively and in good faith to identify opportunities to propose service contracts and other economic development opportunities appropriate for TIHDI member organizations.

(b) The Authority or Developer, as applicable, shall notify TIHDI in writing when such service contracts and other economic development opportunities are ready for bidding.

(c) One or more TIHDI member organizations will present a market rate contract proposal to the Authority or the applicable contracting party (which is defined as an entity covered by this Program, the "***Contracting Party***") to perform the requested service. The proposal must demonstrate that the TIHDI member organization has sufficient experience and organizational capability, either on its own or in joint venture with another, to perform the required services, subject to subsection 6.1.1(f) below.

(d) The Contracting Party shall thereafter negotiate in good faith exclusively with such TIHDI member organization(s) for a reasonable period of time of not less than two (2) months to attempt to finalize the terms of mutually acceptable service contract(s), which shall have a term of at least one (1) year, with renewals subject to negotiations. Each Contracting Party will have the right to ensure that the services are provided at reasonable market rates, are performed to a first-rate market quality standard, are subject to standard termination rights, and are performed upon other terms as shall be mutually agreed.

(e) If, despite such good faith efforts, the Contracting Party and the applicable TIHDI member organization(s) are unable to finalize the terms of a mutually acceptable service contract then the Contracting Party shall thereafter consider in good faith any proposals by other TIHDI member organizations, in addition to considering any bids by third party service providers for the requested service, subject to subsection 6.1.1(f) below.

(f) All service contracts for which the Authority is the Contracting Party, regardless of whether the service contract is with a TIHDI member organization or a third party service provider, will (i) be subject to the City Ordinances

described in Sections 4.1 and 4.3 above, and (ii) will include a requirement that the service provider provide employee training for job advancement. For Authority service contracts issued under Section 6.3.1, the service provider will be required to pay area standard wages as determined by the Authority or the prevailing rate of wages, if any, established by the Board of Supervisors for that category of work. For Authority service contracts issued under Section 6.3.2, the service provider will be required to pay the prevailing rate of wages as determined in accordance with Administrative Code Section 21C.2 or its successor.

6.2 Hiring Credit for Service Contracts. A Contracting Party shall receive credit for satisfaction of its hiring goals through contracting with TIHDI organizations for Covered Services as set forth in Section 6.3 of this Jobs EOP or for Economic Development Opportunities as set forth in Section 7.3 of this Jobs EOP, as well as through direct hires by the Contracting Party. The Contracting Party shall request such a credit in writing with a copy to the Authority and the FSHA. The FSHA, in consultation with the Authority, shall make a reasonable determination regarding such requested credit.

6.3 Covered Services.

6.3.1 Grounds Maintenance and Landscaping. Currently, the Authority contracts for grounds maintenance services with Rubicon Enterprises, a TIHDI member organization. The provisions of this Section 6.3.1 shall apply to any contracts for grounds maintenance services after termination of the existing contract with Rubicon Enterprises.

(a) Subject to any collective bargaining agreements applicable to the performance of grounds maintenance or landscaping services, the Authority shall follow the ROFO Process for grounds maintenance or landscaping contracts for the portions of Treasure Island that are owned or operated by the Authority, and if contracted out by property management for rental housing developments owned or operated by the Authority. Areas within the Project Site that will be owned by the Authority could include the Marina Promenade, the Art Park along the western shoreline and the area referred to as the ***"Great Wilds"*** in the northern portion of the Project.

(b) Subject to any collective bargaining agreements applicable to the performance of grounds maintenance or landscaping services, Developer and TIHDI shall follow the ROFO Process for grounds maintenance or landscaping contracts that are contracted out for rental housing developments owned or operated by Developer and TIHDI, respectively. To the extent Developer controls the shared public ways (also known as the mews) (and subject to the approval of the City's Department of Public Works if required) Developer will provide TIHDI with a ROFO to present a market-based, competitive bid to perform maintenance on the shared public ways.

(c) The Authority will require that any agreements transferring all or any portion of the Authority's interest in or rights to use any publicly-

4.1.4 HISTORIC RESOURCES

Historic resources on the Islands are identified in Section 1.4 Places. T5.11 and Y5.7.15-16 of the Design for Development. Because all historic resources on Treasure Island and Yerba Buena Island are located on Tidelands Trust property, the Special Use District provides TIDA with jurisdiction over design review of these historic resources.

Chapters T5 and Y5 of this Design for Development set forth requirements for design related to historic resources, including requirements that rehabilitation of resources listed on the National Register of Historic Places comply with the Secretary of the Interior's Standards for Rehabilitation (the Secretary's Standards). TIDA shall conduct review to ensure that any alterations to historic resources on Treasure Island or Yerba Buena Island, or new construction within the contributing sites of such historic resources, as delineated in Chapters T5 and Y5 of this Design for Development, comply with the standards and guidelines set forth in Chapters T5 and Y5 which require adherence to the Secretary's Standards.

TIDA shall not approve any historic rehabilitation project without first consulting with a qualified professional preservation architect, planner, architectural historian or other professional at the Planning Department experienced in the application of the Secretary's Standards to adaptive reuse projects (the "Preservation Specialist") (or if no such person exists at the Planning Department, then a third-party Preservation Specialist) as to the proposed project's compliance with the Secretary's Standards for Rehabilitation. The Planning Department also may forward the project submittal to the Historic Preservation Commission for its review and comment.

If a historic rehabilitation project would involve certain federal or state decisions, including federal funding or projects that apply for the 20% federal tax credit for historic rehabilitation, such actions will be subject to review, recommendation and approval by the State Historic Preservation Office ("SHPO") and the National Park Service to the extent provided by applicable laws. In the event of a difference in the interpretation of the application of the Secretary's Standards between TIDA, the SHPO, and/or the National Park Service with respect to such tax credit application and project, the interpretation of the National Park Service or the SHPO will prevail.

4.1.5 OFFICE DEVELOPMENT LIMITATIONS

The Special Use District provides that Planning Code Section 320-325 (Office Development Limitations) applies to the Islands. Accordingly, no office development project contemplated by this Design for Development may be disapproved either for inconsistency with Planning Code Sections 320-325 or, in favor of another office development project that is located outside the Development Plan Area and subject to Planning Code Sections 320-325; provided, however, that no office development project shall be approved that would cause the then applicable annual limitation contained in Planning Code Section 321 to be exceeded; taking into account priority commitments for available annual office space previously granted by the Planning Commission to the development projects at Mission Bay (Planning Commission Resolution No. 14702) and Candlestick/Hunters Point (Planning Commission Resolution No. ___).

Upon such determination, the Planning Commission shall issue a project authorization for such project. To the extent that the project is within the Tidelands Trust Overlay Zone, and therefore subject to TIDA review and approval, the decision on the design of any particular new office development project reviewed pursuant to this Section shall be binding on TIDA.

The requirements for Planning Commission approval of office development described above shall be applicable unless application would be prohibited by California or local law.

FILE NO. _____ RESOLUTION NO. _____

[Changes to Disposition and Development Agreement and Interagency Cooperation Agreement]

Resolution approving the Disposition and Development Agreement and Interagency Cooperation Agreement reflecting changes made by the San Francisco Public Utilities Commission, the Municipal Transportation Agency Board of Directors and the Board of Supervisors

WHEREAS, On April 21, 2011 at a duly noticed joint hearing of the Planning Commission and the Treasure Island Development Authority Board of Directors ("Authority Board"), the Authority Board considered and approved nine resolutions related to the Treasure Island/Yerba Buena Island Project ("Project"); and,

WHEREAS, Resolution number 11-18-04/21, as approved on April 21, 2011, approved and authorized the Director of Redevelopment ("Director") for the Treasure Island Development Authority ("TIDA") to execute, subject to obtaining Board of Supervisors approval, the Disposition and Development Agreement between TIDA and Treasure Island Community Development, LLC ("Developer"); and,

WHEREAS, Under the Disposition and Development Agreement and other transaction documents, the Project is anticipated to include (1) up to 8,000 new residential units, at least 25 percent of which (2,000 units) will be made affordable to a broad range of very-low to moderate income households, including 435 units to be developed by TIHDI and its member organizations, (2) adaptive reuse of approximately 311,000 square feet of historic structures, (3) up to 140,000 square feet of new retail uses and 100,000 square feet of commercial office space, (4) approximately 300 acres of parks and open space, (5) new and/or upgraded public facilities, including a joint police/fire station, a school, facilities for the Treasure Island Sailing Center and other community facilities, (6) a 400-500 room hotel, (7) landslide improvements

for a new 400 slip marina, and (8) transportation infrastructure, including a ferry/quay intermodal transit center; and,

WHEREAS, The Disposition and Development Agreement governs the Developer's right to develop the Project in a series of Major Phases and Sub-Phases and to sell or ground lease developable lots to vertical developers for development, all in accordance with the applicable governing land use and entitlement documents; and,

WHEREAS, The Disposition and Development Agreement also governs the Developer's obligations with respect to the Project and requires the Developer to invest hundreds of millions of dollars of private capital in the initial construction of public infrastructure, affordable housing and community benefits and payment of the Navy payments under the Conveyance Agreement; and,

WHEREAS, The Financing Plan attached to the Disposition and Development Agreement provides that TIDA and the City will incur financial obligations to finance certain costs of the Project, including the formation of one or more infrastructure financing districts ("IFDs") under applicable provisions of the California Government Code (the "IFD Act") to finance acquisition and construction of certain public infrastructure facilities described in the Financing Plan and replacement housing to the extent required by the IFD Act; and,

WHEREAS, The Disposition and Development Agreement includes a Schedule of Performance that includes outside dates for the completion of public infrastructure, public parks and open space, community facilities, and payment of subsidies for affordable housing, transportation, communities facilities, and open space operations and maintenance; and,

WHEREAS, The Disposition and Development Agreement provides TIDA with remedies in the event that the Developer does not meet its obligations under the Schedule of Performance or other provisions of the Disposition and Development Agreement, these

remedies include, but are not limited to, specific performance, liquidated damages, termination and a right of reverter; and,

WHEREAS, On April 21, 2011, the TIDA Board, by Resolution No. 11-15-04/21, adopted environmental findings pursuant to the California Environmental Quality Act ("CEQA") with respect to approval of the Project, including a mitigation monitoring and reporting program and a statement of overriding considerations; and

WHEREAS, On April 27, 2011 at a duly noticed hearing of the Authority Board, the Authority Board considered and approved Resolution No. 11-24-04/27; and,

WHEREAS, Resolution No. 11-24-04/27 approved and authorized the TIDA Director to execute, subject to obtaining Board of Supervisors approval, the Interagency Cooperation Agreement; and,

WHEREAS, The Authority Board determined that the Project proposed under the Disposition and Development Agreement and the Interagency Cooperation is in the best interests of TIDA, the City, and the health, safety, morals and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state an local laws and requirements; and,

WHEREAS, Both resolutions as approved by the Authority Board authorized the Director, prior to execution of the Disposition and Development Agreement and the Interagency Cooperation Agreement, to make changes and take any and all steps, including but not limited to, the attachment of exhibits and the making of corrections, as the Director determines, in consultation with the City Attorney, are necessary or appropriate to consummate the Disposition and Development Agreement in accordance with this Resolution; provided, however, that such changes and steps do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws; and,

WHEREAS, The Authority Board authorized and urged all officers, employees, and agents of TIDA and the City to take any and all steps as they deem necessary or appropriate, to the extent permitted by applicable law, in order to consummate the Disposition and Development Agreement and Interagency Cooperation Agreement in accordance with the resolutions, including execution of subsequent documents, or to otherwise effectuate the purpose and intent of the resolutions and TIDA's performance under the Disposition and Development Agreement and Interagency Cooperation Agreement; and,

WHEREAS, On May 3, 2011, the San Francisco Municipal Transportation Agency, by Resolution No. 11-059, approved the Interagency Cooperation Agreement and other related Project documents; and,

WHEREAS, On May 10, 2011, the San Francisco Public Utilities Commission, by Resolution No. 11-0068, approved the Interagency Cooperation Agreement and other related Project documents; and,

WHEREAS, On June 7, 2011, the Board of Supervisors by Resolution No. _____ approved the Interagency Cooperation Agreement and Disposition and Development Agreement; and,

WHEREAS, During the course of these approvals the various approving bodies requested amendments, modifications and corrections be made to the Project documents before them; now, therefore be it

RESOLVED, That the Authority Board hereby approves the amendments, modifications and corrections made to the Disposition and Development Agreement and Interagency Cooperation as described in the Staff Report prepared for this Resolution, which is incorporated herein by reference; and, be it

FURTHER RESOLVED, That the TIDA Board determines that the Project furthered by the Interagency Cooperation Agreement is in the best interests of TIDA, the City, and the

health, safety, morals and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state an local laws and requirements; and, be it

FURTHER RESOLVED, That the TIDA Board hereby approves and authorizes the Director of Redevelopment for TIDA ("Director") to execute, subject to obtaining Board of Supervisors approval, the Interagency Cooperation Agreement; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes the Director, prior to execution of the Interagency Cooperation Agreement, to make changes and take any and all steps, including but not limited to, the attachment of exhibits and the making of corrections, as the Director determines, in consultation with the City Attorney, are necessary or appropriate to consummate the Interagency Cooperation Agreement in accordance with this Resolution; provided, however, that such changes and steps do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws; and, be it

FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers, employees, and agents with respect to the Interagency Cooperation Agreement are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes and urges all officers, employees, and agents of TIDA and the City to take any and all steps as they deem necessary or appropriate, to the extent permitted by applicable law, in order to consummate the Interagency Cooperation Agreement in accordance with this Resolution, including execution of subsequent documents, or to otherwise effectuate the purpose and intent of this Resolution and TIDA's performance under the Interagency Cooperation Agreement; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes the Director to enter into any amendments or modifications to the Interagency Cooperation Agreement that the Director determines, in consultation with the City Attorney, are in the best interest of TIDA, do not

materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws; and, be it

FURTHER RESOLVED, That the TIDA Board determines that the Project proposed under the Disposition and Development Agreement is in the best interests of TIDA, the City, and the health, safety, morals and welfare of its residents, and is in accordance with the public purposes and provisions of applicable federal, state an local laws and requirements; and, be it

FURTHER RESOLVED, That the TIDA Board hereby approves and authorizes the Director of Development for TIDA ("Director") to execute, subject to obtaining Board of Supervisors approval, the Disposition and Development Agreement between TIDA and the Developer; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes the Director, prior to execution of the Disposition and Development Agreement, to make changes and take any and all steps, including but not limited to, the attachment of exhibits and the making of corrections, as the Director determines, in consultation with the City Attorney, are necessary or appropriate to consummate the Disposition and Development Agreement in accordance with this Resolution; provided, however, that such changes and steps do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws; and, be it

FURTHER RESOLVED, That all actions heretofore taken by TIDA and its officers, employees, and agents with respect to the Disposition and Development Agreement are hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes and urges all officers, employees, and agents of TIDA and the City to take any and all steps as they deem necessary or appropriate, to the extent permitted by applicable law, in order to consummate the Disposition and Development Agreement in accordance with this Resolution, including

execution of subsequent documents, or to otherwise effectuate the purpose and intent of this Resolution and TIDA's performance under the Disposition and Development Agreement; and, be it

FURTHER RESOLVED, That the TIDA Board authorizes the Director to enter into any amendments or modifications to the Disposition and Development Agreement that the Director determines, in consultation with the City Attorney, are in the best interest of TIDA, do not materially decrease the benefits to or materially increase the obligations or liabilities of TIDA, and are in compliance with all applicable laws.

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly elected Secretary of the Treasure Island Development Authority, a California nonprofit public benefit corporation, and that the above Resolution was duly adopted and approved by the Board of Directors of the Authority at a properly noticed meeting on June 22, 2011.

_____

Jean-Paul Samaha, Secretary

AGENDA ITEM 8
Treasure Island Development Authority
City and County of San Francisco
Meeting of June 8, 2011

Subject: Informational Presentation on 2011 Golden State Gay Rodeo Association – Bay Area Chapter Special Event at the Treasure Island Great Lawn (Discussion Item)

Contact: Mirian Saez, Director of Island Operations

Phone: 415-274-0660

BACKGROUND

In January of 2011, Project Office staff was contacted by the Golden State Gay Rodeo Association (GSGRA) regarding the availability of Treasure Island as a venue to host the GSGRA Bay Area Chapter's (GSGRA-BAC) 2011 Gay Rodeo and Festival special event in September of 2011. GSGRA-BAC is a member organization of the the International Gay Rodeo Association (IGRA). The IGRA is an organization comprised of numerous regional Gay Rodeo Associations from across the United States and Canada. The IGRA's mission is centered on "Promoting, in a positive way, the GBLTQ country western lifestyle and supporting amateur sportsmanship through participation, competition and recognition". The IGRA also places a strong emphasis on philanthrophy, and member association events fundraise and donate to communitiy charities each year.

The GSGRA-BAC 2011 Rodeo and Festival charitable benefactors are the Breast Cancer Emergency Fund and the Susan G. Komen Walk for Life. Specific elements of the Gay Rodeo itself include skill competitions involving livestock and horses, racing and obstacle course competitions, awards ceremonies and a Saturday evening social event at the Great Lawn. The Festival element of the event includes rodeo and country-western apparel and merchandise vendors and food and beverage vendors

GSGRA events place great importance on the well-being and humane treatment of the animal participants, and GSGRA skill competitions and racing events involving livestock and horses are specifically tailored to avoid the elements of such standard rodeo events which are often construed as harmful or abusive to the animals involved. IGRA competitions are held under modified rules of professional rodeo events. While consisting of traditional rodeo events such as bull riding and bronc riding, gay rodeo activities have purposefully been tailored to provide the animal and human participants with the safest environment possible, while still demonstrating the skill of the contestant.

On-site livestock veterenarians are present throughout competitions, and use of abusive equipment such as cattle prods and abusive methods such as cinching techniques used on bulls for the riding competitions is strictly prohibited. The IGRA also maintains an international level Animal Issues Committee of LGBT cowboys and cowgirls that tracks issues related to animal

use, annually reviews IGRA animal use and welfare policies and reports directly to the IGRA annual convention.

TERMS OF USE PERMIT

Discussion between Project Office staff and GSGRA-BAC officials yielded that the Great Lawn is suitable for accommodating both the rodeo event and festival infrastructure, attendee parking, and a planned Saturday evening social event. The event promoters intend multiple means of alternate transportation for event attendees, including partnerships with San Francisco businesses to provide round-trip shuttle service from those business locations to and from the Island and visible promotion of MUNI 108 service to Treasure Island. As with all events produced at the Great Lawn, GSGRA-BAC as Permittee will be responsible for handling event logistics including traffic management, coordination with adjacent commercial tenants and the residential community and on-site event operations including securing all required health and safety permits from appropriate City and County of San Francisco permitting agencies such as the San Francisco Fire Department and Department of Public Health.

The Use Permit will consist of the standard terms and conditions applicable for all Special Event productions on-Island, and is consistent with the TIDA Special Event Fee Schedule for 501(c)3 organizations for the venues in question. The term of the Use Permit will run from September 7th through September 13, 2011, with the event itself scheduled for September 9 through 11, 2011.

Premises:	Treasure Island Great Lawn.
Term:	September 7 – 13, 2011. Event days shall be September 9, 10, 11, 2011. All other days shall be for set-up and break-down purposes only.
Permit Fee:	Seven Thousand Two Hundred Dollars ($7,200.00)
Security Deposit:	Three Thousand Six Hundred Dollars ($3,600.00)

Prepared by: Peter Summerville, Leasing Manager
For: Mirian Saez, Director of Island Operations

DRAFT Minutes of Special Meeting- Item 6(a)
Treasure Island Development Authority
June 22, 2011

Room 400, City Hall
1 Dr. Carlton B. Goodlett Place

Mirian Saez, Director of Island Operations
Peter Summerville, Commission Secretary

1. Call to Order 2:35 PM.

Present
Claudine Cheng, *President*
Larry Del Carlo
Mark Dunlop
John Elberling, *Chief Financial Officer*
Larry Mazzola, Jr.
Linda Richardson
Jean-Paul Samaha, *Secretary/Vice-President*

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Excused Supervisor Jane Kim, *Ex-Officio*

2. General Public Comment
There was no general public comment.

3a. Director's Report
Mirian Saez, Director of Island Operations, provided a report on Island and staff activities over the past month. Discussed public safety and reported crime stats. Good Neighbors kicked off an "Ounce of Prevention" campaign partnering with SF Safe to coordinate Island watch programs and safety strategies. Informed the Board of her meeting with the America's Cup (AC34) planners which included cities/entities impacted by AC34. Preparations on Treasure Island for AC34 may include modifying Clipper Cove anchor rules, boat landings at Pier One and accommodating helicopter landings. Mayor Ed Lee introduced legislation to accept a portion of the Treasure Island Museum Association items valued at over $10,000 from the Navy Historic and Heritage Command. TIDA will act as the caretaker of these artifacts with formal resolution to come before the Authority Board in future meeting accepting this caretaker assignment. Ms. Saez addressed Director Del Carlo's inquiry regarding TI emergency plan efforts. Quality of Life: TIDA and JSCO parking resurfacing projects' first phase completed in June with completion planned for end of the month; Big 3 Cleanup on Saturday 6/11/11, enables residents to donate or discard unwanted items mitigating curbside dumping. Big 3 resulted in the collection of 250lbs of reusable goods, per donor; discussed 6/6/11 Green Bin Compost program.
Leasing/subleasing activity added $15,600 to annual income. Discussed film production and commercial photo shoots on the Island. Upcoming events were discussed including the Triathlon and Flea Market. Discussed future agenda items.

In response to Director Dunlop's inquiry, Director Saez noted the possibility of making TI Green Bin map available for YBI residents to view. Director Mazzola requested name of company John Stewart is contracting to do the repaving work for residential/parking lot area.

There was no public comment on the Director's Report.

3b. Report by Office of Economic & Workforce Development

Mr. Rich Hillis, Office of Economic and Workforce Development, gave an update noting that Board of Supervisors and Mayor have signed ordinances approving the redevelopment project. CEQA still has 30 days to submit a lawsuit if they chose. Mr. Hillis discussed California State Assembly Bill AB664. AB664 allows the ability to recapture tax increment from the State. The legislation was approved by Assembly for AC34 and Port but did not include the Treasure Island portion which is intended to backfill the affordable housing loss in order to get back up to the 30% affordable housing under original redevelopment plan. The legislation, including the IFD fund allocation for Treasure Island, is scheduled to be in front of Appropriations Committee next week then to full assembly and then will be heard by the Senate. Not anticipating this to be passed until the fall after entire budget has been considered.

Mr. Hillis announced that he will be the leaving OEWD and will serve as the Executive Director of the Fort Mason Center Park Service effective August 15, 2011. He will discuss the structure of OEWD office post project approvals at the next TIDA board meeting.

President Cheng thanked Mr. Hillis for his contribution to Treasure Island Redevelopment.

Mr. Hillis addressed President Cheng's inquiry. Director Richardson expressed her gratitude to Mr. Hillis for his work on City of SF development projects. She thanked OEWD, the developers, homeless advocates and TIDA for their work.

There was no public comment on the Report by Office of Economic and Workforce Development.

3c. Report by the Treasure Island/Yerba Buena Island Citizen's Advisory Board (CAB)

There was no Report from the Citizen's Advisory Board.

There was no public comment on the Citizen Advisory Board report.

4. Communications

There was no discussion of the Communications by Directors.

There was no public comment on the Communications item.

5. Ongoing Business by Board of Directors

No on-going business was discussed by Directors.

There was no public comment on the item.

6. **Consent Agenda**

Director Saez requested item 6h to be removed from consent agenda for discussion
Director Del Carlo requested item 6g to be removed from consent agenda for discussion
Mr. Tymoff, OEWD, requested item 6k to be removed from consent agenda for discussion.
Mr. Tymoff requested item 6n to be removed from consent agenda for discussion.

Mr. Tymoff requested items 6l and 6m be continued to next regular meeting. Director Elberling motioned to continue items to next TIDA Board meeting.
Director Del Carlo seconded the motion.
Motion passed unanimously.
No public comment.

Director Del Carlo motioned for approval of the remaining consent agenda items.
Director Dunlop seconded the motion.
These items were approved unanimously.
No public comment.

6g. **Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Rubicon Enterprises, Inc. to Provide Landscape Services on a month-to-month basis for the period of July 1, 2011 through June 30, 2012, in an amount not to exceed $641,000.**
Director Saez addressed Director Del Carlo's inquiry regarding the City's agreement with laborers represented by Local 261. Director Saez clarified that the property is not SF property until conveyance from the Navy is completed. OEWD will discuss what future contract will look like post conveyance in consideration of labor agreements. Rubicon is a TIHDI member and public procurement is unnecessary. Director Dunlop praised Rubicon's work. Director Dunlop motioned for approval. Director Samaha seconded the motion. Item 6g approved unanimously. No public comment.

6h. **Resolution Authorizing the Director of Island Operations to Execute a Professional Services Agreement with Toolworks, Inc., to Provide Janitorial Services Commencing July 1, 2011 and Expiring on June 30, 2012 in an amount not to exceed $102,600.**
Director Saez noted the language on the agenda should be amended to match the language on the Resolution. The correct contract dollar amount is $120,000.
Director Saez requested approval of this item including the amended language of agenda item.
Public Comment: Jeff Kline, Treasure Island resident, inquired whether or not TIDA is ensuring Toolworks is fulfilling their obligations of their contract, specifically the cleaning of the Island YMCA before they vote to renew. Director Saez stated that YMCA is not a part of this Toolworks contract. She explained that YMCA has its own contract with Toolworks separate from the contract up for vote.
Director Del Carlo motioned for approval. Director Dunlop seconded the motion.
Item 6h was approved unanimously.

6k. **Resolution Authorizing a Fourth Amendment to the Amended and Restated Exclusive Negotiating Agreement with Treasure Island Community Development, LLC for the Redevelopment of Former Naval Station Treasure Island**

Michael Tymoff, OEWD, stated that this item provides the ability to have a prolonged negotiation with TICD by extending term as well as increasing amount to reimburse TIDA for planning and entitlement. Director Samaha motioned for approval. Director Elberling seconded the motion. Item 6k was approved unanimously.

No public comment.

6n. **Resolution Authorizing the Treasure Island Redevelopment Project Director to Execute an Amendment to the Contract With AMEC Geomatrix, Inc. to Extend the Term through June 30, 2012.**

Michael Tymoff, OEWD, stated that this contract has been in place for several years with AMEC Geometrix to oversee the Navy's remediation work on Treasure Island on behalf of TIDA and the City of SF. His office anticipates the need for their services going forward especially as the initial closing of property conveyances approach. Mr. Tymoff stated the need to continue the contract at least through the initial closings.

Director Richardson requested to recuse herself from this item. Director Del Carlo motioned for approval of recusal. Director Mazzola seconded the motion. Motion approved unanimously. No public comment.

Director Mazzola motioned to approve the resolution. Director Del Carlo seconded the motion. Item 6n passed unanimously.

No public comment.

7. **Resolution approving the Disposition and Development Agreement and Interagency Cooperation Agreement reflecting changes made by the San Francisco Public Utilities Commission, the Municipal Transportation Agency Board of Directors and the Board of Supervisors**

Rich Hillis, OEWD, highlighted significant changes that were made over the approval course of various documents relating to the Development Agreement. On development agreement, Supervisor Mirkarimi made a change so the Transit Impact Development Fee is applied to new office space on the Island. Supervisor Mar made a change relating to design for development that would allow Planning Department to ask Historic Preservation Commission for additional comment on zoning for historic buildings on trust. Supervisor Chiu requested change to increase transportation subsidy from $25mil-$30mil. The $5mil increase would take effect after 4,000 units are built and only if transit use increase is achieved. Supervisor Kim made a change to the Housing Plan by moving 173 units from market-rate housing into affordable housing, increasing affordable housing from 25% to 27.2%. BOS added language to the Jobs Equal Opportunity portion of the agreement, requiring various city contracting revisions for landscaping and janitorial work.

In response to an inquiry by President Cheng, Mr. Hillis stated that the majority of changes were made during the final BOS hearing.

In response to an inquiry by Director Richardson, Mr. Hillis stated that the Planning Commission will have the ability to refer items to Historical Preservation Commission

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